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# ***Daily Report***

## **China**

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# Daily Report

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**General**

**Foreign Ministry Holds Weekly News Conference**

**NPC Group To Visit 3 Southeast Asian Nations**

OW1711092594 Beijing XINHUA in English 0904  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) will pay an official goodwill visit to the Philippines, Laos and Vietnam as of November 18.

Headed by Vice Chairman Wang Hanbin of the NPC Standing Committee, the delegation has been invited by the Congress of the Philippines, the Supreme National Assembly of Laos and the Vietnamese National Assembly, a Chinese Foreign Ministry Spokesman announced today.

**Urges U.S. To 'Smooth' GATT Reentry**

OW1711100894 Beijing XINHUA in English 1001  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that it is high time for the United States to "take concrete actions" to smooth China's reentry into the General Agreement on Tariffs and Trade (GATT) by the year's end.

He said: "We believe that substantive negotiations concerning China's returning to the GATT shall be concluded by the end of the year, and if some minor issues are not settled by that time, they shall be settled as soon as possible in early 1995 so that China can become a founding member of the future World Trade Organization (WTO)."

Shen Guofang, the spokesman, was answering a question on the recent contact between Chinese and U.S. leaders at the just-concluded informal Asia and Pacific Economic Cooperation (APEC) leadership meeting and their impact on the GATT issue.

Shen said China has always adopted a "constructive attitude" toward the resumption of its contracting party status in the GATT.

The negotiations have lasted for eight years, and this is "quite a long period of time", he noted.

Therefore, "China's position is clear to all and it's high time for the United States to take concrete actions", the spokesman said.

The contacts between Chinese and U.S. leaders and government officials at the second APEC meeting "will help enhance our mutual understanding".

"The U.S. side should realize that China's reentry into the GATT and its becoming a founding member of WTO will be helpful for the operation of the two organizations

and will also be conducive to the progress toward the goal of trade and investment liberalization within APEC", the spokesman said.

**Says Bogor Declaration 'Positive'**

OW1711104294 Beijing XINHUA in English 1024  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—The Bogor Declaration adopted by the second informal Asia Pacific Economic Cooperation (APEC) Leadership Meeting in Indonesia has shown prospects for trade and economic cooperation in Asia and the Pacific, the Chinese Foreign Ministry spokesman said here today.

Spokesman Shen Guofang described the declaration as "a positive result" reached by the second APEC meeting, when asked to comment on it at the ministry's weekly news conference.

The declaration reaffirmed the diversity in Asia-Pacific economic cooperation and has laid down different provisions for economies that are at different stages of development, and their timing for realizing trade and investment liberalization, he said.

It also indicated that cooperation shall be strengthened in the field of human resources development, on the promotion of science and technology development and on the improvement of infrastructure so as to narrow the gaps between its members in terms of economic development.

China favors setting a long-term goal of trade and investment liberalization in APEC. "We believe the principles of openness and non-discrimination should be followed, with a view to achieving this long-term goal," Shen said.

APEC members at different stages of economic development can adopt different timetables for achieving trade and investment liberalization, and different stages of progress and methods shall be taken in different sectors.

"Only this approach is in keeping with the reality of the diversity of the region, and is the only feasible way," he noted.

On the issue of trade and investment liberalization, Shen said that if differences between countries at different stages of economic development are ignored and conformity is enforced, "this is obviously not realistic and is not in keeping with the principle of fair competition".

**Views UN Convention on Sea Law**

OW1711104794 Beijing XINHUA in English 1034  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—China today spoke highly of the United Nation's Convention on the Law of the Sea, which has entered into force on Wednesday [16 November].

"The entrance into force of the 1982 Convention on the Law of Sea is an important event in modern international laws," Foreign Ministry Spokesman Shen Guofang told a weekly news conference.

China was one of the first countries that had put signature to the convention.

"This convention has set up a whole set of legal regime, covering almost all aspects of the law of the sea and is an important compilation and gradual development of the traditional law of the sea.

"We are deeply convinced that this convention will yield far-reaching influence over the international marine system," Shen said.

China has taken an active part in the drafting of this convention from the very beginning, he noted.

"Right now, we are going through the ratification of this convention in accordance with our legislative procedures," Shen revealed.

#### Comments on Xiamen Shooting Incident

HK1711132494 Beijing ZHONGGUO XINWEN  
SHE in English 1224 GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (CNS)—Spokesman of China's Ministry of Foreign Affairs, Mr. Shen Guofang, said at today's regular press conference that the bombardment of Xiamen by Taiwan troops in Jingmen is a malicious case which will damage the peaceful atmosphere across the straits. Therefore China hopes Taiwan authorities should further investigate the case. China also hopes that relations across the straits will not be affected by the incident.

When responding to reporters' questions, Mr. Shen said China has noticed the attitude of Taiwan authorities after the occurrence of the incident.

Mr. Shen added that China has all along held that exchange and contact across the straits should be strengthened so as to create a favourable atmosphere for peaceful unification of the Chinese nation.

#### Answers Reporters' Questions

OW1711143194 Beijing XINHUA Domestic Service  
in Chinese 1241 GMT 17 Nov 94

[By reporters Feng Xiuju (7458 4423 5468) and Wen Jihua (2429 4949 5478) ]

[FBIS Translated Text] Beijing, 17 Nov (XINHUA)—At a news conference here this afternoon, Foreign Ministry Spokesman Shen Guofang answered reporters' questions on how China would assess the "Bogor Declaration" and the entry into force of the Convention on the Law of the Sea. He also reiterated China's consistent stand on resuming its status as a GATT contracting party.

In response to a XINHUA reporter's question on how to assess the "Bogor Declaration" adopted by the informal leadership meeting of the Asia-Pacific Economic Cooperation [APEC] organization, Shen Guofang said: The "Bogor Declaration" adopted by the informal meeting demonstrates the prospect of economic cooperation in the Asia-Pacific region. It is a positive result achieved by the meeting.

He said: The "Declaration" reaffirms APEC's diversity and sets forth different provisions regarding the time frames for economies in different stages of development to implement trade and investment liberalization. The "Declaration" also calls for strengthening cooperation in developing human resources, promoting scientific and technological development, and improving infrastructure so as to narrow the gap between members in terms of economic development.

Shen Guofang said: "China favors setting a long-term, APEC-wide goal of achieving regional trade and investment liberalization. We believe that the principles of openness and nondiscrimination should be followed in order to achieve this long-term goal. Members at different stages of economic development can adopt different timetables for implementing trade and investment liberalization, and different paces and methods can be adopted for different sectors. Only this approach is in keeping with the reality of the Asia-Pacific region's diversity, and is a feasible way."

In response to a reporter's question on how China, as one of the first countries to sign the UN Convention on the Law of the Sea that came into force on 16 November, will assess the convention's significance, Shen Guofang said: The entry into force of the 1982 Convention on the Law of the Sea is an important event in modern international law. The convention establishes a whole set of legal regimes that cover almost all aspects of the Law of the Sea, and constitutes an important compilation and gradual development of the traditional law of the sea.

He said: "We are deeply convinced that this convention will have a far-reaching influence on the international marine system. China has taken an active part in the entire process of drafting the convention, and it has signed the convention. We are now going through the formalities of ratifying the convention in accordance with our country's legislative procedures."

In response to a question on China's "reentry into GATT," Shen Guofang said: China has always adopted a constructive attitude toward negotiations on resuming its status as a GATT contracting party.

He said: "We believe that substantive negotiations on our 'reentry into GATT' should be concluded by year's end. If some secondary issues are not settled by that time, we may consider settling them, to the best of our ability, in early 1995 so that China can become a founding member of the World Trade Organization [WTO]."

He said: The negotiations on China's 'reentry into GATT' have lasted for eight years. China's position on this issue is very clear. It is time for the United States to take concrete actions. Contacts between Chinese and U.S. leaders and officials at the recent APEC meeting will help enhance mutual understanding.

He said: The U.S. side should realize that China's resumption of its status as a GATT contracting party and its becoming a WTO founding member will be conducive to the operation of the two organizations, as well as to advancing the process of investment and trade liberalization in the Asia-Pacific region.

#### **Jiang Zemin Addresses Malaysian Academics**

HK1711043594 Beijing RENMIN RIBAO in Chinese 12 Nov 94 pp 1, 6

[Dispatch from Kuala Lumpur: "Full Text of Important Speech Made by President Jiang in Malaysia"; 11 November]

[FBIS Translated Text] Kuala Lumpur, 11 Nov (RENMIN RIBAO)—PRC President Jiang Zemin, who is paying a state visit to Malaysia, delivered an important speech at the Shangri-la Hotel here today. The full text of the speech is as follows:

Honorable Malaysian Prime Minister Mr. Mahathir, Honorable Malaysian Foreign Minister Mr. Badawi, Honorable Director-General Mr. Ghazzali of the Institute of Diplomacy and Foreign Relations, Ladies and Gentlemen,

At the invitation of the supreme head of state, His Majesty Tuanku Ja'afar, I am paying a state visit to your esteemed country bearing the friendship of the Chinese people of all nationalities. Today, I am extremely honored to have the opportunity to meet and brief you on developments in China, and to discuss some issues in which people are interested.

Ladies and Gentlemen:

Exactly 45 years have passed since the founding of New China in 1949. Over these 45 years, the Chinese people have worked assiduously and indomitably to build their country from the impoverished and backward old China into an initially prosperous country that is advancing toward modernization. In particular, since the practice of reform and the open policies in the late 1970's, China's social productive forces have been further emancipated and developed, and the appearance of the country has undergone great changes. Between 1979 and 1993, China's GNP increased at an average annual rate of 9.29 percent. The annual per capita income of urban and rural residents increased by 6.34 and 8.47 percent, respectively, after allowing for the price factor. China's economy has witnessed sustained, rapid, and healthy growth, and the people's living standards clearly have improved. In China today, the political situation is

stable, society is advancing, all nationalities are united, and various undertakings are flourishing with vigor and vitality.

Reform and opening up have energetically promoted exchanges and cooperation between China and foreign countries. In 1993, China's total volume of imports and exports was \$195.7 billion, holding 11th place in the world, up from 32d place 15 years ago. This year, the total volume of imports and exports will exceed \$200 billion. Various countries feel optimistic about China's economy, and they take the China market's enormous potential very seriously. Their enthusiasm for long-term, mutually beneficial cooperation with China has been elevated in an unprecedented way. Over the past 15 years, China has approved 174,000 foreign investment projects, and actual foreign investment has amounted to \$63.9 billion. China's foreign investment has also begun, and so far, 4,500 enterprises have been set up in more than 120 countries or regions. After a dozen years of hard work, an omnidirectional, multilevel, and multifarious open pattern has begun to take shape, including special economic zones; open coastal cities; open coastal regions; and central cities along the borders, rivers, and main traffic lines in the hinterland. In 1992, China decided to carry out in-depth reform and to open wider to the outside world so as to establish a socialist market economy structure by the end of this century. China's exchanges and cooperation with foreign countries in such areas as economics, science and technology, culture, and so on have entered a new period of rapid development in both depth and breadth.

A dozen years ago, Deng Xiaoping, the chief architect of China's reform and opening up, showed great insight by putting forward the famous strategic idea of "three steps" for achieving modernization in China. The target of doubling the GNP in the 1980's was fulfilled ahead of schedule. Now, with boundless enthusiasm, and through creative and diligent work, the Chinese people of all nationalities are striving to initially establish a socialist market economy structure at the end of this century, in a bid to quadruple the GNP and achieve moderate prosperity. Then, through hard work over several decades until the middle of the next century, the economic level in China will be able to reach that of a moderately developed country, and the long-cherished aspirations of the Chinese people to build China into a powerful, democratic, civilized, and modernized country will be realized. We have found a development road suitable to China's national conditions: building socialism with Chinese characteristics. Looking forward to the future, we are full of confidence. Of course, we also note calmly that China's economic development level is quite low; development in various localities is uneven; per capita GNP is still very low; and the 80 million people of the rural population, which accounts for 80 percent of China's total population, have not entirely settled the problem of having sufficient food and clothing. Comparing this with your esteemed country or with some other Southeast Asian countries, the gap is still very

large. What we are undertaking now is an unprecedented cause, so there will still be quite a lot of difficulties and challenges on our road of advance, and the rejuvenation of the Chinese nation still calls for unremitting and arduous efforts through several generations.

The world needs peace, a country needs development, society calls for advancement, the economy should be boosted, and the people's living standards should be enhanced. These are the voices of the times, and the universal demands of the people of all countries the world over.

We believe that if China—being the largest developing country, with one-fifth of the world's population—can extricate itself from poverty and succeed in realizing modernization, it will make tremendous contributions to the cause of development and to the progress of mankind. China is an essential factor in the maintenance of world peace and stability, and China's development means the strengthening of peace forces.

Ladies and gentlemen:

The contemporary world is undergoing profound and complex changes. On the one hand, the multipolar trend has quickened its development, the leading role of economic factors in international relations has been increasingly conspicuous, and relaxation and development are the mainstreams of the current international situation. On the other hand, hegemony and power politics still exist, regional flash points emerge one after another, and there is no peace under the sun. Quite a few countries and regions are bedeviled by the repeated occurrence of conflicts, turbulence, and economic difficulties; however, a sharp contrast to this is the East Asian region, where the political situation is relatively stable, the economy is growing continuously, and international exchanges and cooperation at various levels and in various forms are increasingly lively and extensive amid the ever-changing world situation. In this process, the region of the ASEAN countries has attracted people's attention for its robust economy and its constantly increasing role in the international political and economic spheres. As a neighbor, China is sincerely pleased at the achievements attained by the ASEAN countries. With the 21st century approaching, how the world will be ushered into the new century will become an issue to which the people of various countries will give serious thought, and which they will follow with great interest. We feel that people may gain some enlightenment from the rapid growth in the East Asian region in recent years, particularly in the region of the ASEAN countries.

Various countries in the East Asian region have differences in terms of social system, development level, historical traditions, cultural origins, religious belief, value concepts, and so on, but these did not become obstacles to mutual understanding and cooperation. Rather, they have enabled the exchanges and cooperation between various countries to become even more colorful and exuberant. Practice has repeatedly and

incontrovertibly proved that as long as the five principles of peaceful coexistence—including mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence—are abided by strictly, all countries can overcome these differences and embark on the road of mutual respect, friendly coexistence, and cooperative development. The five principles of peaceful coexistence were initiated by some Asian countries—including China, India, and Burma—in the mid-1950's. Later, they were further embodied and developed in the 10 principles of the Bandung Conference of Asian and African Countries and the ASEAN founding manifesto. Today, given the tremendous changes in the world during a period of 40 years, the five principles of peaceful coexistence are displaying even more powerful vitality and important practical significance.

Ladies and gentlemen:

We are happy to see that along with the rapid growth of East Asia's economy, the voices for strengthening regional economic cooperation have become louder with each passing day. ASEAN is the swiftest in the race to develop regional economic cooperation, and has attained gratifying achievements. The development of the times has repeatedly widened people's field of vision and updated people's ideology and ideas. Today, when the economic contacts between countries are increasingly closer and their mutual dependence is repeatedly deepened, no country can engage in economic construction behind closed doors. According to the principles of equality and mutual benefit, various countries are enthusiastically conducting international cooperation, helping to supply what others need, and overcoming their weaknesses by learning the strong points of others. This is the only way to promote economic development in their own countries and to achieve common prosperity. We favor the proposition forwarded by most countries in this region, which is that regional economic cooperation at various levels should be open, rather than closed; it should be mutually complementary, rather than mutually repulsive; and it should be vigorously promoted among the developing countries, rather than with the developed countries only. A large number of countries in the East Asian region still are underdeveloped. The economic takeoff of these countries certainly will provide an energetic impetus to regional economic growth, and will open up broader prospects for regional cooperation. When this situation emerges, in which numerous economies in this region compete with one another in splendor, it will be the time when the economies of various countries have further prospered and rejuvenated. With this perspective in view, let us intensify our cooperation through concerted efforts.

In recent years, ASEAN has played an increasingly important role in promoting regional economic cooperation, and in maintaining peace and stability in this region, thus becoming an active force in the international arena. China respects and supports ASEAN in its

stand for establishing a peaceful, free, and neutral zone in Southeast Asia, and in its aspirations for establishing a nuclear-free zone. We appreciate ASEAN's positive efforts to promote regional peace and security dialogues, and we support and participate in the activities of ASEAN's forums in the region. China is always for resolving international disputes through peace negotiations, and against using force or threats of force in international relations. With regard to some complex issues, we favor keeping in mind the overall situation of maintaining peace and stability; proceeding from the long-term interests of the people of various countries; and on the basis of fully considering the interests of all parties concerned, finding realistic methods of solution through friendly consultations and negotiations. As for those divergencies that cannot be removed for the time being, we may put them aside, seek common ground, and reserve differences so that the development of normal state-to-state relations will not be affected.

Ladies and gentlemen:

It is a major aspect of China's foreign policy to enhance good-neighborly and friendly relations with neighboring countries. China hopes to see a prosperous and stable Southeast Asia that is developing with vigor and vitality. Likewise, a stable and rapidly growing China also conforms to the interests of the Southeast Asian countries and peoples. We have established or resumed normal relations with all the countries in Southeast Asia. Along with increasingly frequent and close contacts, mutual understanding and trust will be further deepened, friendship will be promoted day by day, and economic exchanges and cooperation between the two sides will develop more rapidly. What is more, the potential and prospects of mutually beneficial cooperation in the economic area are more and more comprehended by people. China also shares a consensus with the ASEAN countries on the maintenance of regional security and stability and has successfully cooperated with them in resolving some flashpoint problems in the region through peaceful means. Facts have proved that the development of relations between China and the Southeast Asian countries, which are cemented on the basis of the five principles of peaceful coexistence, not only will bring benefits to the people of various countries in this region, but also will be a positive factor for the promotion of peace and development in the region, as well as throughout the world.

The love of peace is a fine tradition of the Chinese nation. Throughout the long course of its history, China, like the Southeast Asian countries, had the miserable experience of being bullied, divided, enslaved, and plundered by big powers for a long time. We know very well the value of independence, sovereignty, and equality. According to the famous dictums left to us 2,500 years ago by China's great thinker, Confucius: "It is commendable to be on harmonious terms," and "One should not do unto others what he does not want others to do unto him." Now, the development of history has further

proved that any action that violates the principle of treating one another equally and respecting each other, that wantonly interferes in the internal affairs of another, that engages in foreign expansion, and that seeks hegemony cannot escape the destiny of ultimate failure. It is a broad road for a country or a nation to seek subsistence and advancement by conducting economic construction properly, striving to enhance the people's living standards, and developing mutually beneficial cooperation between countries. China's development requires an international environment of prolonged peace. Even if China becomes rich in the future, its foreign policy of peace, independence, and self-reliance will remain unchanged. China's endeavor to develop good-neighborly and friendly cooperation with neighboring countries is not a measure of expediency, but a necessary choice proceeding from the long-term interests of the Chinese people and the peoples of various countries in this region, and in conformity with the call of the times. The Chinese people are willing to work hand-in-hand with the peoples of the Southeast Asian countries and the entire world to jointly bring the world of peace, equality, cooperation, stability, and prosperity into a new era of human history.

Ladies and gentlemen:

Since I set foot on the soil of your esteemed country, my colleagues and I have been accorded your cordial, friendly, and enthusiastic reception, so we feel quite at home. We are deeply impressed by the profound emotion of your people toward the Chinese people and by the sincere aspirations for furthering the friendly and cooperative relations between our two countries. I would like to express to you once again the same emotion and aspirations of the Chinese people toward the Malaysian people.

There has been a long history of friendly contacts between the Chinese and Malaysian peoples. The people of our two countries have been oppressed and exploited by imperialists and colonialists, thus they have had a similar history and destiny. Today, they all are working hard to build their countries. You have scored spectacular achievements in your economic development. A lot of your experience merits our study and assimilation. You have won universal praise for your pursuance of a neutral and nonaligned foreign policy, as well as for your painstaking efforts to maintain regional peace and stability, promote regional cooperation, and safeguard the rights and interests of the vast number of developing countries. Over the past 20 years, since the establishment of diplomatic ties between China and Malaysia, the two countries' good-neighborly and friendly relations have been deepened constantly, and their bilateral cooperation is conducted comprehensively, at multiple levels, and in multiple domains, and has entered a new development period. We admire the significant contributions made by His Excellency, Prime Minister Mahathir and by other leaders of your esteemed country. The Chinese people are willing to make concerted efforts to further

the two countries' friendly cooperative relations, and to work hard together with the Malaysian people for an even more stable, peaceful, prosperous, and developed world. We believe that the future will be even brighter for the Chinese people, the Southeast Asian people, and people the world over!

#### **Jiang Zemin Starts Visit to Indonesia**

*OW1611164194 Beijing XINHUA in English 1630  
GMT 16 Nov 94*

[FBIS Transcribed Text] Denpasar, Bali (Indonesia) November 16 (XINHUA)—Chinese President Jiang Zemin received a warm welcome here today, beginning his state visit to Indonesia after attending Tuesday's [15 November] informal meeting of APEC [Asia-Pacific Economic Cooperation] leaders.

Jiang attended a grand banquet given by Bali Governor Ida Bagus Oka [name as received] this evening after sightseeing the world-famous Buddhist temple of Borobudur earlier in the day.

President Jiang arrived in Jakarta on November 13 for this year's informal leadership conference of the Asia Pacific Economic Cooperation (APEC) forum in Bogor, near the capital.

Accompanied by the governor of the Central Java Province, President Jiang listened with great interest to a briefing on the temple of Borobudur before touring the site in heavy rain.

President Jiang will visit a woodcarving and painting center tomorrow.

The grand state welcoming ceremony will be held at the Presidential Palace in Jakarta tomorrow afternoon.

#### **Jiang Zemin Returns To Jakarta**

*OW1711102494 Beijing XINHUA in English 1011  
GMT 17 Nov 94*

[FBIS Transcribed Text] Jakarta, November 17 (XINHUA)—Chinese President Jiang Zemin came back to Jakarta this afternoon to continue his state visit to Indonesia.

Jiang Zemin started his four-day state visit to Indonesia on Wednesday [16 November] with a trip to Yogyakarta and then to Bali Island, where he had an overnight stay.

While in Yogyakarta, the president visited Borobudur Temple, known as one of the seven wonders in the world. In Bali Island, Jiang paid a visit to a wood carving center and a gallery.

Back in Jakarta, Jiang Zemin is expected to hold talks with Indonesian President Suharto Friday.

Jiang arrived in Jakarta on November 13 from Malaysia for the second informal Asia and Pacific Economic Cooperation (APEC) leadership meeting and a state visit to Indonesia.

Before he started his state visit to Indonesia, Jiang Zemin met with heads of state or government from nine countries, including U.S. President Bill Clinton, Japanese Prime Minister Tomiichi Murayama and President of the Republic of Korea Kim Yong-sam.

He also attended the second informal APEC leadership meeting in Bogor near Jakarta on November 15, during which he made a keynote speech on economic cooperation in Asia Pacific region.

Indonesia is the third leg of Jiang's four-nation Asian tour, which will also take him to Vietnam. He already visited Singapore and Malaysia on November 8-13.

#### **CPPCC Official Meets With Indonesian Delegation**

*OW1611140894 Beijing XINHUA in English 0742  
GMT 16 Nov 94*

[FBIS Transcribed Text] Beijing, November 16 (XINHUA)—Qian Zhengying, vice-chairwoman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation from the People's Consultative Assembly of Indonesia here today.

They had a cordial and friendly talk on further improving bilateral ties.

The delegation, led by Dr. H.A. Amiruddin [name as received], vice-chairman of the Indonesian People's Consultative Assembly and chairman of its Executive Committee, arrived here Sunday [13 November] at the invitation of the Chinese National People's Congress Standing Committee.

#### **UN Envoy Says Peacekeeping Needs Guiding Principles**

*OW1611233094 Beijing XINHUA in English 2313  
GMT 16 Nov 94*

[FBIS Transcribed Text] United Nations, November 16 (XINHUA)—A Chinese delegate on Wednesday [16 November] called upon the United Nations to establish a set of effective guiding principles for its peace-keeping operations.

Addressing the Fourth Committee (Special Political and Decolonization) of the General Assembly, Zhang Yan said the world organization had got a lot of problems to solve in the field of peace-keeping operations and one of the first tasks was to set up a set of effective guiding principles.

"We are of the view that the primary task is to tackle the major aspects of the problems and establish a set of effective guiding principles in accordance with the UN Charter and on the basis of collective wisdom through full consultation among member states," said Zhang, who is a councillor of the Chinese mission to the UN.

In his speech, Zhang highlighted the need to strictly observe the purposes and principles of the UN Charter and norms governing international relations in the peace-keeping field.

"The involvement of the UN in whatever form must be helpful to the safeguarding of sovereignty and territorial integrity of the country concerned, conform to the collective will of its people and obtain the consent and cooperation of the parties concerned," he noted.

He also stressed the need of settling disputes by peaceful means.

"Peace-keeping operation is, in essence, a peaceful means, whose role is to, through UN presence, ease tensions in conflicting regions and create conditions for the final peaceful settlement of disputes by the parties concerned," he said.

"To persist in settling disputes by peaceful means without resorting to force is an important principle that must be observed in all peace-keeping activities," he added.

In addition, Zhang said increasingly complex peace-keeping operations also needed well-defined mandates, unified command and control.

#### **Justice Minister To Attend International Conference**

OW1711102794 Beijing XINHUA in English 1004  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—A Chinese delegation headed by Justice Minister Xiao Yang, left here today to attend a ministerial conference on issues of organized transnational crimes, scheduled to be held in Naples, Italy, from November 21 to 23.

Xiao and his party, at the invitation of the United Nations secretary and the Italian prime minister, will elaborate China's position on strengthening international cooperation to jointly prevent and crack down on organized transnational crimes during the conference.

#### **OECD Urges Members To Open Markets to Beijing**

OW1711024994 Beijing XINHUA in English 0237  
GMT 17 Nov 94

[FBIS Transcribed Text] Paris, November 16 (XINHUA)—The Organization for Economic Cooperation and Development (OECD) today issued a report saying that China's 15 years of reform have made tremendous achievements, and urging its members to open their markets to China.

The report, titled "China's Long March to an Open Economy", was drafted by the OECD's Development Center.

In the 1990s, the dynamic economies of the Asia-Pacific region have become the engine of the world economy, the report said in its preface.

This should mainly be attributed to China's accelerating development that is a result of the country's policy of reform and opening-up, it added.

It pointed out that China's entry into the world market is welcomed because this will provide new markets for the OECD member states and new industrial countries in Asia.

There is no need to be wary of China's increasing exports, the report noted, urging OECD members to open their markets to China.

It criticized some OECD members for having adopted protectionist measures against China, saying that these countries have underestimated the potential of China's domestic markets.

#### **Karadzic Says U.S. Position on B-H Now 'Clear'**

OW1211111694 Beijing XINHUA in English 1056  
GMT 12 Nov 94

[FBIS Transcribed Text] Belgrade, November 11 (XINHUA)—Bosnian Serb leader Radovan Karadzic said today that the unilateral decision by the U.S. to stop enforcing the UN arms embargo on the Bosnian Muslims "is going to cause a deterioration of the military situation in Bosnia."

"It is a more honest position for the United States of America. Now it is clear that America has taken a more sincere position" of standing by the Bosnian Muslims in the conflict, he said in Pale, outside Sarajevo.

Meanwhile, Milan Martich, president of "the Republic of Serbian Krajina," which lies within the boundaries of Croatia, today pointed out that the U.S. decision "will surely produce a negative impact on the Bosnian peace process" because it stimulates the desire for war of the Bosnian Croats and Muslims.

The decision indicated again that after Germany, the U.S. has become one of the major driving forces behind the war in former Yugoslavia, Martich said in an interview with the Yugoslav news agency TANJUG.

#### **'Roundup' Views Developments in Bosnia**

OW1711053594 Beijing XINHUA in English 0514  
GMT 17 Nov 94

["Roundup": "Another Big Turn on Western Bosnia Battlefield"]

[FBIS Transcribed Text] Belgrade, November 16 (XINHUA)—Bosnian Muslim leader Alija Izetbegovic today asked the United States and Europe to take steps to stop the Serb attacks in Western Bosnia, after the Fifth Corps of Muslim forces had been surrounded.

The Western Bosnian region is a Bosnian Muslim enclave, encircled by "the Republic of Serbian Karajina" and "the Serbian Republic of Bosnia-Herzegovina".

On August 21, the Fifth Corps, a crack force of the Bosnian Muslim central government, captured Velika Kladusa, capital of "the Muslim Autonomous Province of Western Bosnia", after 11 months of fighting.

This forced Fikret Abdic [name as received], president of the Western Bosnian province, which declared its independence from the Bosnian Muslim central government in September last year, and tens of thousands of soldiers and civilians to flee into the Serb dominated Karajina region.

Then in October, the Fifth Corps launched a heavy attack on the Serb forces near the Bihac region, a UN protection zone, and captured 250 square kilometers of Serb controlled territory.

Some military experts believe this represented a major setback for the Serbs on the Bosnian battlefield.

At the beginning of November, "the Serbian Republic of Bosnia-Herzegovina" ordered a general mobilization, aimed at "regaining the military initiative."

Thus the Serb forces responded to the Muslim offensive, and gradually recaptured the territory they had lost.

On November 14, a spokesman for the Serb forces announced that Serb forces had recaptured all their lost territories in the Bihac region.

And, according to a TANJUG report, the Serb forces today reached the town of Bihac.

Manojlo Milovanovic [name as received], chief of staff of the Serb forces and commander of the Bihac operation, said in a statement that the Serb forces would push on after their victory to wipe out the Fifth Corps.

He said that the Serb forces do not intend to enter the town of Bihac, and appealed to the Muslim residents of Bihac to prevent the Fifth Corps from entering the town.

He said that if the Fifth Corps did enter Bihac, however, the Serb forces would follow them. "This is reasonable and in accordance with international law," he said.

He called on the Fifth Corps to surrender, and said that it is the only way to guarantee their safety and lives.

According to another TANJUG report, this morning more than ten thousand Muslim refugees and members of the people's defense forces from the Muslim Autonomous Province of Western Bosnia, led by Abdic, marched towards Velika Kladusa in an attempt to recapture their lost land.

Abdic said, in a statement on the Velika Kladusa Television Station, that the people's defense forces had started the battle to help the refugees regain their homes and establish a government.

The Supreme Command of the Western Bosnian Forces announced this evening that the fighting had been successful, and their forces were in control of the Cazin region, 25 kilometers northeast of Bihac, and had taken large numbers of Fifth Corps POWs.

Abdic appealed to international organizations not to provide any assistance to the Fifth Corps, and warned that any form of assistance would be taken as a hostile act against the Western Bosnian people.

In these circumstances, Bosnian Muslim leader Alija Izetbegovic called on the United States and Europe to become involved.

He said in a statement today that the situation in Bihac is extremely dangerous, and asked NATO to send fighter planes to protect the Bihac region.

He also called on Madeline Albright, U.S. Ambassador to the United Nations and executive chairman of the UN Security Council, on the telephone and accused the Bosnian and Karajina Serb forces of launching an offensive along a 100 kilometer front in the Bihac region, involving large numbers of tanks, artillery pieces and helicopters.

He asked the Security Council to take immediate steps to stop the Serb offensive on the UN protection zone.

#### 'News Focus' on Bogor Declaration's Trade Goals

OW1611140694 Beijing XINHUA in English 0813  
GMT 16 Nov 94

["News Focus" by Ding Baozhong "A Step Forward to Trade Liberalization"]

[FBIS Transcribed Text] Kuala Lumpur, November 16 (XINHUA)—The Bogor Declaration adopted by the leaders of the Asia Pacific Economic Cooperation (APEC) on Tuesday [15 November] called for trade and investment liberalization by 2020, which was hailed as an ambitious goal.

It requested that the APEC advanced economies liberalize trade by 2010 while the APEC developing economies not later than 2020.

The Bogor meeting of the APEC leaders has no objection to the Malaysian-proposed annexure to the declaration emphasizing the need for flexibility to the timetable.

"While we accept the timetable, we want flexibility and disagree with any rigid rule.

"You cannot have a fixed deadline where everybody must open up their markets," Prime Minister Mohamed Mahathir told reporters covering the meeting, the second of its kind since the Seattle conference last year.

Malaysia will make its best effort to fulfill the timetable but does not want to be forced by anybody, he reiterated.

Although Malaysia is one of the fastest growing economies in the region, it is not certain of what is going to happen from now until 2020, Mahathir added.

Malaysia might still need to keep its services areas such as banking, insurance and other financial services only for domestic participation until then, he hinted.

The annexure stated against the creation of an exclusive free trade area in the Asia Pacific.

The trade liberalization should be GATT and WTO (World Trade Organization) consistent and based on unconditional most-favored-nation status basis, it urged.

It said APEC members should liberalize their trade and investment based on their capacity to undertake liberalization commensurate with their development level.

Mahathir said Malaysia is not alone since there are other countries sharing its views though "They did not prepare any annexure to express their reservation against the deadline".

He noted that based on the consensus principle, the Bogor Declaration is not binding to APEC members.

It was understood that Malaysia and several other countries exercised flexibility to ensure an agreement to the trade liberalization timetable, while upholding the view that developed nations should take into account the interests of developing countries by observing the diversity of development levels.

Malaysia was one of the APEC founding members in 1989. Mahathir, who advocated free trade by proposing the East Asia economic caucus, has strongly voiced against trade protectionism.

He was known for objection to APEC institutionalization, the reason for him to be the only absentee at the Seattle meeting.

APEC which accounts for half of the world's GNP and 40 percent of the world trade, made a stride towards trade liberalization in Bogor meeting. Members' cooperation in realizing the goal, especially in considering the developing economies' interests is of focus now.

#### **'Roundup' Views Developing Countries Demands at UN**

*OW1711051794 Beijing XINHUA Domestic Service in Chinese 1009 GMT 9 Nov 94*

["Roundup" by XINHUA reporter Xia Zhaolong (1115 0340 7893): "The UN Should Pay Attention To Developing Countries' Economic Problems"]

[FBIS Translated Text] UN, 8 Nov (XINHUA)—In the wake of the Cold War, a large number of developing countries are eager to develop their economies. At this UN General Assembly [UNGA], representatives from these countries unanimously urged the UN to pay more

attention to their problems and play a more active role in promoting international cooperation and development.

Representatives of these countries said: The "Outline for Development" submitted to the UNGA by Secretary General Boutros-Ghali and the emphasis on the economic and social problems in his annual work report are conducive to reversing the UN's tendency of attaching more importance to peacekeeping operations than to development over the past years. Boutros-Ghali stressed in his report: Conflicts around the world are harming the international community, but the work of economic development "has become even more important today, because people have become more aware that the roots of these conflicts lie in economic and social problems." Many representatives agreed with his conclusion and maintained that the idea of security today is no longer limited to territory and weapons; it also involves a wide range of economic and social problems, such as unemployment, population, and environmental protection. Economically underdeveloped countries are the biggest victims of these problems. The UN should give priority to helping them revitalize the economy; otherwise, there will be no world peace. In his speech, Maltese representative Kasar [name as translated] noted: "Security and development are closely related. We are now living in the danger of a majority of poor and minority of rich being diametrically opposed to each other. The international community must make concerted efforts to avoid having the antagonism between the South and North replace that between the East and West."

On behalf of the nonaligned movement nations, Indonesian representative Wisnumurti said: As a central organ that maintains world order, the UN should lay equal emphasis on peace and development. The scope of the UN's peacekeeping operations has expanded in recent years, consuming nearly \$4 billion every year—almost 400 percent of the UN's regular budget. In the meantime, the UN system and developed countries have slashed their aid to developing countries. According to statistics, currently OECD members' aid to poor countries account for only 0.29 percent of their gross national product [GNP] in the corresponding year, hardly half of the promised 0.7 percent and an all-time low since 1973. Representatives of Cuba, Sri Lanka, and other countries expressed deep concern over such a situation. They were worried that the economic development of the broad masses of medium and small countries will become "an appendage to the efforts for maintaining world peace."

Representatives of these countries affirmed that every country should achieve the goal of development through its own efforts, but international cooperation is also indispensable. To create a more favorable external environment for stepping up economic development in developing countries, representatives attending the meeting put forward three suggestions:

1. The UN should play a more active role in international economic affairs, forge closer ties with the World

Bank and International Monetary Fund, and full play its role in guiding and coordinating international macroeconomic policies.

2. The broad masses of developing countries should have a say on important international economic decisions; the practice that such decisions are made by a handful of powers should be changed gradually.

3. While handling economic and social problems, the UN should first consider developing countries' difficulties and needs. The UN should promote the establishment of just international economic relations and solve developing countries' problems in capital, technology, market, and foreign debts in a rational way. Meanwhile, industrialized countries in the West should be urged to keep their promise of contributing 0.7 percent of their GNP as official aid for development, so as to stop the amount of such aid from declining every year.

#### **More Foreign Investment in Inner Mongolia**

OW1611113294 Beijing XINHUA in English 0856  
GMT 16 Nov 94

[FBIS Transcribed Text] Hohhot, November 16 (XINHUA)—Foreign investment is increasing in the Hulun Buir Grassland in north China's Inner Mongolia Autonomous Region, one of the country's five leading pastoral areas.

According to local officials, so far, 81 foreign-funded enterprises have been set up in the league (county), involving an agreed use of 34.67 million U.S. dollars of foreign investment.

The Hulun Buir League, which is rich in natural resources, was given approval by the State Council to be an experimental zone for piloting economic restructuring in 1988.

The league has been trying hard to improve its investment environment and has held investment promotion events by making full use of its geographical advantage of bordering on Russia and Mongolia, and the advantage of having rich natural resources.

Since 1991 the league has invested more than two billion yuan in improving transportation and telecommunications facilities. In the same year the league approved the establishment of its first foreign-funded firm, involved in auto maintenance.

In the meantime, it has also held news conferences in Beijing and Hong Kong to publicize its advantages, and run investment-promotion programs in other areas of Inner Mongolia, while simplifying its investment approval procedures.

Investors from a dozen countries and regions, including the United States, Japan, Switzerland and New Zealand, have begun to try their luck in the remote grassland,

doing business in industries such as knitwear, dairy products, woodstuffs, forage grass processing, tourism and catering.

#### **International Center for Rural Education Set Up**

OW1011135994 Beijing XINHUA in English 1246  
GMT 10 Nov 94

[FBIS Transcribed Text] Shijiazhuang, November 10 (XINHUA)—An international research and training center for rural education was inaugurated in Baoding City, in north China's Hebei Province, November 8.

Federico Mayor, director-general of the United Nations Educational, Scientific and Cultural Organization (UNESCO) attended the unveiling ceremony.

The center is jointly sponsored by the State Education Commission, the China National Committee for UNESCO and the Hebei Provincial Government in accordance with the resolution of the 27th General Conference of UNESCO held in 1993.

The center is designed to organize and promote international research into rural education, train rural education workers of all countries, especially of developing countries, carry out experiments in rural educational reform, collect, analyse and spread experiences and information about rural education the world over, and conduct bilateral and multilateral exchanges.

As a support project for UNESCO's "Education-For-All" program, the center has already established pilot areas for rural education in 14 counties around Baoding City, local officials said.

#### **Comparison on Jiang Zemin-Kim Yong-sam Jakarta Meeting**

OW1411100994

Beijing XINHUA Domestic Service in Chinese at 0748 GMT on 14 November carries a 959-character report on Chinese President Jiang Zemin meeting with Republic of Korea President Kim Yong-sam in Jakarta on 14 November.

The XINHUA Chinese version has been compared with the referent XINHUA English version published in the 15 November DAILY REPORT, page 8, and found to contain the following variations:

Column one, paragraph one, only sentence reads: ...Cooperation (APEC) leaders.

Jiang said that... (omitting paragraph)

Paragraph four, second sentence reads: ...and South Korea. We are pleased about this from the bottom of our hearts. Jiang Zemin stressed that continuous development of Sino-South Korean relations conforms to the two sides' wishes and interests, and is also beneficial to the peace and stability of the Korean peninsula and northeast Asia.

Kim said that... (adding sentences)

Paragraph six, only sentence reads: ...northeast Asian region as well as to the two countries.

On the situation... (adding words)

Last paragraph, only sentence reads: ...visit South Korea at Jiang's convenience next year, and said the visit would promote the development of the two countries' relations even further. Jiang Zemin thanked him for the invitation, saying the two countries' foreign affairs ministries would discuss the itinerary.

Present at the meeting on the Chinese side was Vice Premier and Foreign Affairs Minister Qian Qichen, also special assistant Zeng Qinghong, Vice Foreign Affairs Minister Tang Jiaxuan, and Chinese Ambassador to Indonesia Qian Yongnian. Attending the meeting on the South Korean side were Foreign Affairs Minister Han Song-chu and others. (adding paragraphs)

### United States & Canada

#### Editorial Hails 'Second' Sino-U.S. Summit

HK1711025094 Hong Kong WEN WEI PO in Chinese 15 Nov 94 pa2

[Editorial: "Sino-U.S. Summit Boosts Bilateral Cooperation"]

[FBIS Translated Text] Following the Sino-U.S. summit in November, 1993, Jiang Zemin and Clinton met for the second time in Jakarta yesterday. The second Sino-U.S. summit succeeded in mapping out a framework for the future development of Sino-U.S. relations, thus providing a powerful impetus for the further improvement and development of Sino-U.S. relations.

The Jiang Zemin-Clinton summit in Seattle last November had a far-reaching impact on global development, for it basically put an end to the Western countries' policy of isolating China since 1989. The United States has since readjusted its human rights diplomacy. Instead of adhering to his original China policy proposed during the election campaign, Clinton adopted a pragmatic policy toward China. As a result, the United States once again attached importance to China's comprehensive strength and strategic position, recognized that economics is now a dominant factor in international relations, and "warmed up" Sino-U.S. relations. The U.S. secretary of state and other U.S. cabinet members also have paid official visits to China. In May of this year, Clinton officially separated human rights from MFN. Moreover, the Sino-U.S. Joint Economic Committee and the Sino-U.S. Joint Scientific and Technological Committee also resumed their respective sessions for the first time in the last six years. The two countries recently conducted a series of high-level military exchanges. In addition, the U.S. defense secretary went

to China to attend the first session of the Sino-U.S. Joint Committee on Transforming Defense Industry Into Civilian Industry.

In addition, Sino-U.S. trade also has increased by a wide margin, thanks to growing investment in China by U.S. businessmen, who also have continually urged the United States to readjust its policy toward China so as to enable the U.S. business community to enter the China market. The humiliating defeat suffered by the Democratic Party in the latest mid-term elections was due, by and large, to the Democratic Party's failure to resolve a host of domestic problems, particularly economic and unemployment problems. In order to resolve these problems, Clinton will have to shift the focus of U.S. diplomacy, and enable diplomacy to serve the U.S. economic rejuvenation and help open up more long-term and stable markets with profound potential. The European market is almost saturated, while the Asia-Pacific market is developing at a good pace. For this reason, before leaving for Jakarta to attend the Asia-Pacific Economic Cooperation [APEC] forum, Clinton set the tune for U.S. diplomatic principles by pledging to enhance diplomatic relations with China and other Asian countries. Only by developing fine diplomatic relations will it be possible to further economic and trade cooperation.

That the Chinese and U.S. leaders have met twice within the brief span of less than a year is of far-reaching significance to Asia-Pacific economic cooperation, peace, and stability. The Sino-U.S. summits have attracted worldwide attention. If Sino-U.S. relations develop further, a long-term framework for the development of Sino-U.S. relations is likely to take shape, thus providing a powerful impetus to Asia-Pacific economic prosperity, and contributing positively to ending conflicts, resolving hot-spot issues, sustaining stability across the Taiwan Straits, and bringing about detente on the Korean peninsula. Nonetheless, the countries concerned also have kept a close watch over how the issue of China's re-entry into GATT is to be addressed. News reports on the latest Sino-U.S. summit have described China's re-entry into GATT as an "outstanding" issue. Clinton said: "Now that Sino-U.S. relations are closer, we are confident in resolving other outstanding issues. Looking forward to the next century, I'm optimistic that the United States and China will become good partners." Jiang Zemin pointed out: "In an interdependent world, economics have become a primary and key factor in bilateral relations. China has no intention whatsoever of economically challenging the United States. Rather, China hopes to become a partner in mutually beneficial cooperation. The Chinese and U.S. leaders agreed to expand economic cooperation, and to regard the issue of 'partners in a mutually beneficial cooperation' by looking beyond the current century. Should the issue of China's GATT re-entry remain unresolved, the so-called Sino-U.S. partnership would be incomplete. How can this issue be resolved? It seems that some technical breakthroughs will be required with regard to intellectual

property rights, a period of exemption aimed at protecting China's national industries, as well as some other issues. Although Clinton said that he is confident of resolving these issues, we still must wait and see what will come out of the forthcoming Geneva Conference. Of course, how the United States will comprehensively lift the economic and technological sanctions on China is no doubt a barometer of Sino-U.S. relations.

No piecemeal approach to these issues will be of any use at all. Instead, the two sides should strive to build a new type of long-term relations, just like building a big house on a piece of solid land. Jiang Zemin suggested that the two sides agree to and abide by the following five principles, on the basis of three Sino-U.S. Joint Communiqués: 1) To further bilateral relations in a wider scope and from a longer-term point of view, by taking global interests into account and looking forward toward the 21st century; 2) to prevent differences in social systems and ideologies from affecting bilateral relations; 3) to comprehensively develop bilateral economic cooperation on the basis of equality and mutual benefit by making full use of each other's economic superiorities and characteristics; 4) to step up bilateral consultations and cooperation on international affairs and within international organizations with an eye on resolving problems like worldwide hot-spot issues, weapons of mass destruction, environmental protection, narcotics, terrorism, and smuggling; 5) to increase high-level reciprocal visits and exchanges.

Clinton agreed to these five principles, and stressed that the two sides should "further develop mutually beneficial economic and trade relations." Given this, the issue of China's GATT re-entry also should be addressed in accordance with these principles.

The U.S. position on the Taiwan question is an important part of Sino-U.S. relations. Jiang Zemin reiterated: "If the Taiwan authorities implement 'Taiwan Independence,' and foreign forces are to intervene, the Taiwan Strait certainly will be plunged into chaos. Then we absolutely will not just sit by and watch." As a matter of fact, without foreign support and intervention, what could the Taiwan authorities come up with? Clinton stated that the United States will continue to adhere to the principles enshrined in the three Sino-U.S. Joint Communiqués, and will abide by the one-China policy. James Lilley also has warned Taiwan recently not to engage in Taiwan independence activities.

Sino-U.S. relations certainly will improve as long as the United States does not deliberately complicate the Taiwan question. In one month, people all over the world will be able to see more clearly the impact of the Jiang Zemin-Clinton summit.

#### **Sino-U.S. Civil Aviation Technology Treaty Finalized**

*OW1711034594 Beijing XINHUA in English 0307  
GMT 17 Nov 94*

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—An agreement on civil aviation technology cooperation between China and the United States was reached here Wednesday [16 November].

Chen Guangyi, director of the Civil Aviation Administration of China (CAAC), and administrator of the U.S. Federal Aviation Administration (FAA) David Hinson signed the agreement.

A Chinese official said that the two aviation administrations have made remarkable efforts to extend their collaboration in this field since the Sino-U.S. Memorandum on Mutual Civil Aviation Technology Coordination went into effect March 14, 1986.

To date, China and the United States have carried out co-operation in six areas, including airworthiness tests, MD-82 acceptance checks and air traffic control and simulated flight examination.

Moreover, a bilateral airworthiness agreement was reached October 14, 1991.

Hoping to upgrade air traffic control, aviation safety and flight standards in China, the U.S. delegation headed by Hinson includes several senior officials in charge of major aviation departments.

The official said that the agreement will play a key role in promoting Sino-U.S. aviation co-operation in line with the rapid development of high-technology nowadays.

He added that the talks between two countries' aviation organs will help China to keep up with the progress of technology and efficiency-oriented managerial systems in this field.

#### **U.S.-Funded Gas Turbine Plant Underway in Hainan**

*OW1611141094 Beijing XINHUA in English 0739  
GMT 16 Nov 94*

[FBIS Transcribed Text] Haikou, November 16 (XINHUA)—Construction of a U.S.-funded gas turbine power plant has recently started in south China's Hainan Province.

Located in the Qinglan Economic Development Zone in the province's Wenchang County, the plant is jointly funded by the U.S. Enron Corp and W.T.C. Enterprise Inc., with a total investment of 1.1 billion yuan.

The plant will have a generating capacity of 150,000 kw, and is expected to be put into operation in August next year.

This is the first plant of its kind that the province has built by way of BOT (building, operation and transfer).

It will be transferred to the Hainan Power Company after 12 years of operation.

#### **Tianjin Mayor, General Electric Reach Agreements**

*OW1611144494 Beijing XINHUA in English 1323  
GMT 16 Nov 94*

[FBIS Transcribed Text] Tianjin, November 16 (XINHUA)—Tianjin, the largest port and manufacturing

center in north China, will be the first choice of investment for U.S. multinational General Electric (GE), according to the Tianjin Municipal Government.

It has been reported that a Tianjin delegation touring the United States and headed by Mayor Zhang Lichang held comprehensive talks and struck several agreements with the GE Capital Corporation and the GE Household Electronic Appliances Corporation.

Under the agreements, the GE Capital Corporation will first invest in Tianjin's infrastructure projects, and a group of GE experts will inspect Tianjin for building power stations, waterworks, gas plants, polluted water processing plants, and harbor and express highways.

The GE Household Electric Appliances Corporation will commit 210 million U.S. dollars in Tianjin to produce state-of-the-art household products, and will eventually increase the investment to 770 million U.S. dollars.

In addition, a GE bank will be set up in Tianjin to raise money and attract world-wide corporations to Tianjin.

GE, one of the top ten U.S. companies, has capital ranking it fourth among all business organizations on the globe.

Zhang Lichang said that the Tianjin Municipal Government hoped to cooperate with large U.S. corporations to promote mutual prosperity.

In recent years, U.S. business concerns have been very active in Tianjin.

Motorola, Mobil Petroleum, Smith Kline and French Laboratories LTD, Otis Elevator, Coca-Cola, IBM and IT&T [ITT] have built factories here.

Koll Real Estate Company, the second largest real estate developer in the United States, has also decided to construct a European-U.S. industrial park in Tianjin.

### **Southeast Asia & Pacific**

#### **Australian Goes on Trial in Shenzhen**

##### **Accused of Embezzlement**

OW1611161194 Beijing XINHUA in English 1536  
GMT 16 Nov 94

[FBIS Transcribed Text] Shenzhen, November 16 (XINHUA)—The Intermediate People's Court in Shenzhen, Guangdong Province, held a hearing today on an embezzlement case involving Peng Jiandong (James Peng).

Peng was chairman of the Shenzhen-based Champaign Industrial Co. Ltd. He immigrated to Australia in May 1989 and obtained Australian citizenship in December 1991.

He was accused of embezzling 1.1 million Hong Kong dollars (about 143,000 U.S. dollars) from money loaned by a local bank in 1989 to the Champaign company.

Prosecutors said that Peng remitted the money to a bank account in Hong Kong.

Peng was also accused of using 290,000 yuan (33,700 dollars) in public money to repay his gambling debts.

The court examined evidence against Peng, and Peng defended himself.

##### **Finishes Trial, Awaits Verdict**

HK1711041094 Hong Kong AFP in English 0328  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, Nov 17 (AFP)—Australian businessman James Peng was back behind Chinese bars Thursday [17 November] facing a maximum six-week wait for a verdict in his embezzlement trial that ended in the southern city of Shenzhen. Peng's one-day trial on charges of embezzling 1.1 million Hong Kong dollars (143,000 US) and misappropriating 290,000 yuan (33,000 dollars) to pay off gambling debts ended late Wednesday when the five judges retired to consider their verdict. Peng, who was described by foreign journalists attending the trial as "pale and nervous, but otherwise healthy," denied both charges.

Under Chinese law, the court's deliberations could last up to six weeks before an official verdict is announced. "We now have to leave and discuss the case," the senior judge at the Shenzhen People's Intermediate Court told reporters.

China-born Peng, 35, has been held at the Meiling Detention Centre in Shenzhen since mid-October last year, after being seized by police in the Portuguese enclave of Macao who turned him over to the mainland authorities. Peng's defence lawyers challenged the legality of his arrest, extradition and detention, while also questioning the procedural legality of testimonies collected from overseas witnesses.

Under Chinese law, official charges must be laid within 5-1/2 months of an arrest, but the Australian Embassy was only informed of the charges earlier this month. Australian diplomats who monitored Wednesday's proceedings said they expected a verdict before the end of the six-week period.

The more serious embezzlement charge related to part of a loan extended by a Shenzhen bank to a Chinese company in which Peng was a major shareholder. Peng allegedly siphoned the cash into a personal bank account in Hong Kong.

The case has been the subject of intense diplomatic activity between Canberra and Beijing, with the Australian government repeatedly expressing its concerns over the conditions of Peng's detention and his access to legal counsel. Peng was finally allowed to choose his own lawyer after extensive lobbying from Canberra. In the event of Peng being found guilty, Canberra has said it

would request that the Chinese authorities exercise clemency, taking into consideration the unsatisfactory circumstances of Peng's already lengthy period of detention.

#### **Delegation Arrives in Burma for 8 Day Visit**

*OW1611135094 Beijing XINHUA in English 0829 GMT 16 Nov 94*

[FBIS Transcribed Text] Yangon [Rangoon], November 16 (XINHUA)—An eight-member Chinese delegation led by Wan Guoquan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), arrived here this afternoon for an eight-day goodwill visit to Myanmar [Burma].

Wan is also vice-president of the Chinese Association for International Understanding.

The delegation was greeted at Yangon Airport by Myanmar Minister for Foreign Affairs Ohn Gyaw, Deputy Foreign Minister Nyunt Swe and Chinese Ambassador to Myanmar Chen Baoliu.

The delegation will have round-table discussions with Myanmar Institute of Strategic and Information Studies.

#### **Jiang Zemin Agrees to Closer Relations With New Zealand**

*OW1611154894 Beijing XINHUA in English 1526 GMT 16 Nov 94*

[FBIS Transcribed Text] Jakarta, November 16 (XINHUA)—Chinese President Jiang Zemin and the Prime Minister of New Zealand James Bolger today agreed to build closer cooperation between their two countries.

Jiang, during a meeting with Bolger in the Shangri-la Hotel here, called for a higher level and wider scope of bilateral cooperation, based on equality and mutual benefit.

He said that he appreciated the emphasis placed by the New Zealand Government on developing relations with China and expressed a willingness to develop the relationship in a friendly and practical manner.

Jiang said that the frequent visits exchanged by the leaders of the two countries in the past year had promoted bilateral relations. He also noted that there had been a significant increase in economic and trade cooperation in the past few years.

The New Zealand prime minister said he was glad to see his country's trade with and investment in China growing.

He expressed his satisfaction with the overall development of the relations between the two countries.

On the informal leadership meeting of the Asia-Pacific Economic Cooperation (APEC), which ended Tuesday

[15 November], Jiang said that it had been a success thanks to the efforts of the host country Indonesia and other APEC members.

He said that the Asia-Pacific region is rich in diversity and that it is normal to have a divergence of opinions among the members. However, through consultations on the basis of equality, a declaration on common resolve was finally agreed.

Bolger, praising the active role played by China in the APEC conference, said that the five principles of cooperation in the Asia-Pacific region proposed by China would be extremely significant in the future.

He added that there was a lot of work to be done before the goal of free trade and investment set by the conference could be realized.

#### **Kunming Hosts Sino-Thai Seminar on Lancang River Area**

*OW1711030394 Beijing XINHUA in English 0247 GMT 17 Nov 94*

[FBIS Transcribed Text] Kunming, November 17 (XINHUA)—Chinese and Thai researchers will join hands in the study of cultural exchanges and population distribution as well as regional economic co-operation and trade along the Lancang-Mekong river valley.

According to a three-day seminar on regional social and economic co-operation and sustainable development, which closed here Wednesday, an agreement was reached by the two sides to jointly research the river valley from 1995 to 2002.

The Lancang river flows through southwest China's Yunnan Province and into Thailand with the name Mekong. The seminar was jointly sponsored by Yunnan University and a Thai university.

Research work will be done on four topics: Nationalities and culture, history and population distribution, regional co-operation and trade, management of natural resources, and environmental changes.

Financial support was given to the seminar by the Asian Development Bank and the Ford Foundation of the U.S.

Scholars from the U.S., Japan and Canada also participated in the seminar.

#### **SRV Deputy Premier Comments on Jiang Visit**

*OW1711015594 Beijing XINHUA Domestic Service in Chinese 1347 GMT 14 Nov 94*

[By reporter Hu Suojin (5170 6956 6930)]

[FBIS Translated Text] Hanoi, 14 Nov (XINHUA)—Vietnamese Deputy Prime Minister Nguyen Khanh met here today with Wu Shaozu, minister in charge of China's State Physical Culture and Sports Commission. The Vietnamese deputy prime minister indicated: The

Vietnamese party, government, and people are looking forward to President Jiang Zemin's visit, which will constitute a very important sign of the development of our bilateral relations.

Nguyen Khanh then said: Vietnamese-Chinese relations have entered a very good period [fei chang hao di shi qi 7236 1603 1170 4104 2514 2601]. It is of great importance to strengthen our bilateral relations in the current complex and volatile international situation.

Nguyen Khanh spoke highly of China's tremendous achievements in sports in recent years and called on Vietnam's sports circles to conduct effective cooperation and exchanges with China.

During the meeting, Wu Shaozu gave a briefing on sports in China, particularly on mass sports in recent years.

Wu Shaozu said China would create conditions for sound Sino-Vietnamese cooperation and exchanges in sports on the basis of "equality, mutual benefit, and common development."

A Chinese sports delegation headed by Wu Shaozu arrived in Hanoi on 11 November on a five-day visit to Vietnam at the invitation of the Vietnamese General Sports Bureau. China and Vietnam formally signed an agreement on cooperation in sports, which is aimed at strengthening cooperation and exchanges in this regard.

### East Europe

#### Buhe Delegation Visits Albania, Croatia

OW1311093994 Beijing XINHUA in English 0843  
GMT 13 Nov 94

[FBIS Transcribed Text] Beijing, November 13 (XINHUA)—Vice-Chairman of the Standing Committee of

China's National People's Congress Buhe left here today on a goodwill visit to Albania and Croatia, at the invitation of the People's Assembly of Albania and the House of Representatives of Croatia.

#### To Meet Albanian President Berisha

OW1711040394 Beijing XINHUA in English 0327  
GMT 17 Nov 94

[FBIS Transcribed Text] Tirana, November 16 (XINHUA)—A delegation from the Chinese people's congress arrived here today for a five-day official visit, at the invitation of the People's Assembly of Albania.

Buhe, vice chairman of the Standing Committee of the Chinese National People's Congress [NPC] and head of the delegation, will hold talks with Albanian President Sali Berisha and Chairman of the Presidency of the Albanian People's Assembly Pjeter Arbori.

The delegation will also hold working meetings with the chairmen of the parliamentary groups and other government officials.

Both Deputy Chairmen Tomorr Malasi and Shaqir Vukaj of the presidency of the Albanian People's Assembly said during a meeting with Buhe today that Albania hopes to strengthen political contacts at different levels with China, as well as bilateral economic cooperation, and to encourage Chinese investment in Albania.

Buhe said during the meeting that the aim of his visit is to strengthen the friendship between the two peoples and the relations between the two parliaments.

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**Political & Social****'Leftists' Hold Meeting in Hebei**

HK1711095894 Hong Kong CHENG MING in  
Chinese No 205, 1 Nov 94 pp 9-14

[Article by staff reporter Lo Ping (5012 0393): "The Anti-Deng Meeting Incident in Hebei"]

[FBIS Translated Text]

**Preparations for the Meeting of "Leftists" Run Into Temporary Obstacles**

As the Communist Party comes nearer its end, the so-called "Left" kings and "Left" lieutenants are becoming more active because they have to save the party. They also think that only they can do this.

In mid-July, ultra-"Leftist" elements within the CPC began organizing a meeting where they could freely express their political views. According to their original plan, a meeting with "Cherish the Memory of Chairman Mao, Uphold the Party's Basic Line and Continue the Revolution" as its theme was to be held in early September in the name of the party committee of the Chinese Academy of Social Sciences, the party school of the Hebei provincial party committee, and the Theory Group of QIUSHI magazine. However, this plan was criticized by the Secretariat of the CPC Central Committee, which said: This is inappropriate. What we should be doing now is to make greater efforts to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Ding Guangen, Wen Jiabao and Zeng Qinghong [2582 1987 4767] spoke to Wang Renzhi [3769 1804 0037] and asked him to do some persuading.

**The Meeting of "Leftists" Still Opens**

Later, they put on a new hat and, in the name of the Hebei Provincial CPC Committee and Hebei Provincial Party School, held a "National Day Celebrations cum Study-Application Forum on Studying the Party's Basic Line" at the Hebei Provincial Guesthouse in Shijiazhuang from 26 to 28 September. This forum lasted two full days and one morning. The "Leftists" who took part in this event were basically old diehards from the Mao Zedong era. They were still speaking in the language of those bygone days. The ones who spoke at the meeting were said to be engaged in "study-application," or engaged in "study-application" on behalf of so and so. These old diehards included Deng Liqun, Wang Renzhi, Gao Di [7559 3695], He Jingzhi [6320 2417 0037], Li Ximing [2621 6932 6900] and Yang Rudai [2799 3067 1486]. The meeting also extended invitations to Hua Guofeng and Wang Dongxing, but they did not show up. Deng Liqun arrived on the last day of the forum. When he entered, someone actually shouted the slogan: "Learn from Comrade Deng Liqun. Salute Comrade Deng Liqun." Hearing these familiar slogans, it seems that we are back to the 1960's, with the slogan "Learn from

Comrade Jiang Qing. Salute Comrade Jiang Qing" ringing in our ears. At the meeting, Deng Liqun entrusted a retired provincial-level cadre with presenting his written "study-application," entitled "Marxism-Leninism-Mao Zedong Thought is Eternal."

**Twenty-Two "Leftist" Speeches on "Study-Application"**

Altogether 22 "study-application" speeches were delivered at the two-and-a-half-day forum. They were:

"The Essence of the Party's Basic Line Is To Continue the Revolution"

"Politico-Ideological Guidance Leads to a Crisis and a Collapse of Faith Within the Party"

"Also Talking About Comrade Deng Xiaoping's Idea of Being Tough in Both Aspects"

"Comrade Deng Xiaoping's Theories Must Be Tested in Practice To See If They Conform to Our Country's Conditions"

"The Foundation of Public Ownership Is the Fundamental Guarantee for People To Be Their Own Masters"

"Sham Is Sham, and the Mask Must Be Stripped Off"

"Do Away With New Superstitions Today, Uphold the Dialectical Materialism of Revolution"

"Marxism-Leninism-Mao Zedong Thought Is Eternal"

"The Vast Numbers of Party Members and Cadres Want Revolution"

"Practicing Capitalism and Taking the Capitalist Road Will Inevitably Lead to Confusion and Splits in the Country"

"History Will Ruthlessly Pass Its Fair Judgment on the Present Line"

"Uphold Marxism, Build a Socialist Motherland"

"Collaboration Between Right-Deviationist Thinking and Opportunism"

"What Is a Socialist Market Economy?"

"The Turmoils of '89 Were the Product of the Party's Right-Deviationist Line"

"On the Essential Distinction Between the Communist Party and Bourgeois Political Parties"

"The Damage Done to the Country by the Pro-U.S. Line"

"Revisionism and Right-Deviationist Thinking Are the Traitors of Marxism"

"Rise To Defend the Truth of Marxism and Protect the Socialist Motherland"

"The Line We Are Pushing Now Is One Which Practices Capitalism Under the Leadership of the Communist Party"

"We Must Uphold the Truth, Tell the Truth, and Hold Ourselves Responsible to the People and to History"

"Who Shall Be Held Responsible for Corruption and Declining Morality in the Party?"

From the titles of these "study-application" speeches, one can see that they were openly against the current line, principles and policies of the CPC. They were directly spearheaded at Deng Xiaoping and took issue with either Deng himself or his line.

#### *Central Committee Document of 12 October*

These old diehards are actually dissidents within the party. However, the Chinese communist authorities are much more lenient toward their abusive "study-application" than toward Wei Jingsheng, Wang Dan, Tong Yi [4547 1473] and Ding Zilin [0002 1311 7207]. They have not used police cars or plainclothes police to tail these people, let alone have them apprehended and sentenced.

How strange! Why do they treat dissidents differently? Why are they tough toward some and lenient toward others?

On 12 October, the Central Committee's Secretariat gave its reply to a report submitted by the Central Committee's General Office and the Central Propaganda Department, entitled "A Serious Incident at the Hebei Provincial Party School." It also gave its comments and circulated the report as a confidential document to the party committees of various provinces (autonomous regions) and municipalities directly under the central government, and to the party committees of various military regions.

The comments made by the Secretariat were: The "meeting" that took place at the Hebei Provincial Party School was an organized and premeditated activity held without the knowledge of the party Central Committee and the leadership concerned. It was a serious violation of organizational principle and party discipline. The views expressed at this meeting ran counter to the party's line and resolution, and produced a very bad influence. The Central Committee will investigate this incident further and deal with it seriously.

#### **Repercussions—The QIUSHI Magazine Incident**

The persons who proposed this meeting were the ones who were formerly in charge of propaganda work. These people, including Deng Liqun, Wang Renzhi, Gao Di and He Jingzhi, have the capacity to stir up trouble because, in spite of the fact that Deng Xiaoping had raised the issue of fighting "Leftism" during his inspection tour of southern China, the "Left" kings who controlled the propaganda machine at that time dragged their feet in taking the relevant organizational measures.

They even boycotted, made things difficult for, and elbowed out Li Ruihuan, the Political Bureau Standing Committee member in charge of ideology at that time. They quickly became a force to be reckoned with, so much so that today some propaganda fronts are controlled by them either overtly or covertly.

The QIUSHI Theory Group was one of the units that started this meeting of "Leftists." It lay low only when the meeting met with obstacles. However, its views were obvious to all because its predecessor, HONGQI, had for a long time been the home base of "Leftist" elements and had all along been under the control of "Left" kings like Deng Liqun, Xiong Fu [3574 1788] and Wang Renzhi.

After the Fourth Plenary Session, QIUSHI arranged for the publication of two articles, entitled "It Is Not Permissible To Put Individual Will Above That of the Party" and "Only When the Party's Democratic Centralism Is Upheld Will the Party Have Fighting Power and Cohesiveness," in the name of publicizing the resolution of the Fourth Plenary Session. Actually the articles were full of insinuations and harped on a different tune. When these were sent to the censors, the Central Committee's Secretariat spotted them and had them taken out. Jiang Zemin even broke the rule by writing the following comment: "In the name of studying the communiqué of the Fourth Plenary Session, they resorted to insinuations to stir up trouble." Ding Guangen said at the party committee meeting of QIUSHI: We must guard our pass well because there are people who are always looking for opportunities to find fault with and oppose the current line and the party's central task. Such things will still happen, perhaps more frequently than now. This is the continuation and repercussions of the Hebei Provincial Party School incident. Party journals must be able to identify interference.

It appears that Ding Guangen was at least quite clear-headed.

#### **Hebei Province Is the Base of "Leftists"**

Actually, all this is due to the fact that the Chinese communist authorities are too lenient and soft toward opposition forces from the "Leftist" camp. To tolerate evil is to abet it. They will eat their own bitter fruit and there will be no end of trouble in the future.

However, this incident also laid bare the fact that Hebei is the home base of ultra-"Leftist" forces within the CPC. People may still remember that during the Zhao Ziyang era, the ultra-"Leftists" held a "Left" meeting at Zhuozhou, Hebei Province. It is by no means a coincidence that sinister meetings of the ultra-"Leftists" have been held time and again in Hebei. If the Chinese communists do not act now, the ultra-"Leftists" will stir up further trouble in Hebei in the future. The reason is that geographically speaking, Baoding (where Zhuozhou is located), Zhangjiakou, Chengde and Tangshan are places around the capital Beijing.

Actually, the "Leftists" have demonstrated their strength and prowess not only in Hebei. As early as mid-August, they had already preached their "Left" messages in a big way at another meeting.

From 18 through 20 August, the Central Propaganda Department held a large seminar at Xiangshan. The theme of the seminar was "Looking Back Over and Summing Up the Achievements and Setbacks Since the Founding of the Republic." More than 160 people from RENMIN RIBAO, QIUSHI, GUANGMING RIBAO, the Information Office of the State Council, the Chinese Academy of Sciences and other academic and related circles took part. The seminar was jointly chaired by Xu Weicheng [1776 1919 6134], executive deputy director of the Central Propaganda Department, and Shao Huaze [6730 5478 3419], RENMIN RIBAO director and party group secretary. "Leftist" elements such as Deng Lique, Wang Renzhi, He Jingzhi, Li Ximing, Gao Di and Yuan Mu [5913 2606] were actively involved. A total of 17 speeches and written speeches were presented during the three-day session.

#### **Deng Lique: Deng Xiaoping's Theory Must Be Tested in Practice**

Deng Lique's speech, entitled "The Strength of Communists Lies in Truth," was representative of its kind. He said: "The evolution and disintegration of the Soviet Union and the changes in Eastern Europe only serve to prove the failure of revisionism and the scientific nature of Marxist truth. The state of Russia and the choice made by the people of Eastern Europe serve to show that only by truly practicing socialism according to Marxist theory can national independence and social prosperity be achieved." He also said: "Deng Xiaoping's theories must be tested in practice to show whether they are correct, not fully correct or wrong. Any attempt to advocate using Comrade Deng Xiaoping's theories to negate or replace Marxism as the guiding principle for revolution and construction in China is idealist and goes against the 'Communist Manifesto.' No doctrine or theory, now or in the future, can replace Marxist truth and science."

#### **Wang Renzhi: Corruption of the Party and the Government Has Something To Do With the Negation of Marxism-Leninism-Mao Zedong Thought**

Wang Renzhi's speech was entitled "Marxism Is the Theoretical Basis for Revolution and Construction in China." He said: "Within the party and in society, there has now developed an anti-Marxist main current which totally negates the role played by Marxism-Leninism-Mao Zedong Thought in guiding China's work today. Corruption within the party and the government, demoralization of party members and the waning social atmosphere, morality and order all have something to do with the total negation of Marxist theories by the party. This has opened the gates for Western hegemonist ideas to contaminate the Chinese mind and to interfere in and infringe upon China's internal affairs, and has provided

the atmosphere and conditions for hostile forces and organizations at home and abroad to engage in subversion and sabotage."

#### **Li Ximing: Anti-Marxist Ideological Trends Are Stirring Up Trouble**

Li Ximing's speech was entitled "Look Back on the 45-Year Journey, Staunchly Follow the Socialist Road." He said: "Anti-Marxist and antisocialist ideological trends of all descriptions are stirring up trouble in various spheres. They are rigorous tests for every communist and party cadre. In a practical sense, this constitutes a struggle which will determine the future and destiny of the party in a few years."

#### **Ai Zhisheng [5337 4249 3932]: Party Members Who Do Not Practice Socialism Are Traitors**

Ai Zhisheng's speech was entitled "Build Socialism and Staunchly Follow the Socialist Road." He said: Every upright communist and person has the right to ask: If a communist and party cadre does not engage in building socialism and does not follow the socialist road, is he not cheating the people and betraying his own party program and cause?"

Another person present at the seminar also pointed out in his speech: "There are probably less than 50,000 people among the 50-million-strong membership of the Communist Party who are communists through-and-through who wholeheartedly serve the party and the people." An investigation report by the Chinese Academy of Sciences also pointed out: "Less than 5 percent of the active work force has the wish and urge to join the CPC. Among the scientific and technological personnel and intellectuals, those who have the wish and urge to join the CPC make up less than 2 percent."

#### **Confusion Breaks Out at the Seminar as Two Opposing Factions Abuse Each Other**

Positive and pro-Deng voices were also heard at the seminar. On the last day of the seminar, confusion broke out as the two opposing factions criticized and abused each other and shouted their own slogans. This was something unheard of at seminars officially sponsored by the Chinese communists before. There were people who shouted "Down with traitors to Marxism-Leninism!" and "Victory to Communism!" There were also people who shouted "Down with ultra-Leftists!" It was a chaotic scene. In the end, Ding Guangen, secretary of the Central Committee's Secretariat and director of the Central Propaganda Department, arrived on the scene to put a stop to this madness. He stressed time and time again: This is a seminar. There is to be no criticism, no arguments and no antagonism. None of this is to appear in the press and none of this is to be heard beyond these four walls. In the course of discussion, it is necessary to present the facts, present one's arguments, and uphold the principle that practice is the sole criterion for testing truth.

Regrettably, this confusion was not recorded by reporters from the television stations. It would have been interesting if it had been recorded and shown to the whole world.

**Hu Jintao Inspects Guangdong Province 9-16 Nov**  
*OW1711024594 Beijing XINHUA in English 0201 GMT 17 Nov 94*

[FBIS Transcribed Text] Guangzhou, November 17 (XINHUA)—Special economic zones in China are urged to strive harder to achieve more concrete and greater success, and set an example for the whole country.

Hu Jintao, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and a member of the Secretariat of the committee, made the remark during his inspection from November 9 to 16 of Shantou, Shenzhen and Zhuhai, three special economic zones in south China's Guangdong Province.

Hu praised the zones for their rapid social and economic development, saying that the practice of these zones has proved that Deng Xiaoping's theory of building socialism with Chinese characteristics and his decision to establish special economic zones are wise and correct.

He said that it is one of the country's basic and long-term policies to develop the special economic zones.

He urged the zones to deepen reforms so as to gear themselves to the international market. He encouraged the enterprises there to readjust their industrial structures and boost the development of new- and hi-tech industries.

He also emphasized that it is crucial to strengthen the party construction in the special economic zones because they play special and important roles in the country. Special attention should be paid to party building in the foreign-funded enterprises, he added.

Young people with political integrity and ability should be promoted to leading bodies at government and party organizations at all levels, he said.

**Zou Jiahua Inspects Shanxi 10-12 Nov**  
*OW1711105594 Beijing Central Television Program One Network in Mandarin 1100 GMT 14 Nov 94*

[From the "National News Hookup" program]

[FBIS Translated Text] While inspecting Shanxi recently, Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier of the State Council, emphasized that infrastructural construction has been playing an important role in the modernization drive. We should strive to make a success of it.

From 10 to 12 November, Zou Jiahua inspected some infrastructural projects, including the Taiyuan-Jiuguan

Highway, preparatory work for the inauguration of the Yangcheng Power Plant, the Taiyuan Airport's new lounge, and the Taiyuan Railway Station. He also listened to reports on the progress in Shanxi's economic work and the Wanjiashai irrigation Project by the Shanxi provincial party committee and government.

Zou Jiahua pointed out emphatically: China will complete its Eighth Five-Year Plan on national economic development in 1996. We are still faced with very uphill tasks. We should thoroughly implement the guidelines of the 14th CPC's Fourth Plenary Session and strive for the smooth implementation of various tasks during the Eighth Five-Year Plan period. He said: The pace of national economic development depends on energy supply. Shanxi is China's energy and heavy chemical industrial base and has made great contributions to the national economic development. Shanxi's turning the export of coal into the export of electricity represents a new method of energy development.

While listening to work reports by the Shanxi provincial party committee and government, Zou Jiahua also delivered an important speech on such topics as creating a solid agricultural foundation, tapping agricultural potential, using advanced science and technology to increase agricultural output and to ensure steady and increased grain and cotton output, and promoting overall rural economic development.

**Magazine Profiles Foreign Minister Qian Qichen**  
*HK1611123994 Beijing ZHONGGUO XINWEN SHE in English 0921 GMT 16 Nov 94*

[FBIS Transcribed Text] Beijing, November 16 (CNS)—An article in the bi-monthly "China's Talents", published today, has revealed life of Chinese Foreign Minister, Mr. Qian Qichen.

Qian Qichen was born in Tianjin, and was the second of the four siblings. His father was an engineer working in a telegraph office, and died of lung cancer in 1937. After the death of the bread earner, life of the Qians became difficult. Therefore, the whole family moved south to Shanghai. The young Qian studied hard and began to take part in the students movement led by the underground Communist Party. In 1942, when he was only 14, Qian joined the Party. That was the darkest days of Japanese rule and the underground work was most risky. Soon the young man became the secretary of a Party branch.

After Japan's surrender in 1945, Qian joined Ta Kung Pao. He was then appointed deputy secretary of a district student Party committee in Shanghai. When the new Republic was founded in 1949, Qian became a professional Party worker. In 1953, he was transferred to Beijing and worked as a researcher in the general office of the Central Youth League Committee. The following year, the 26-year old Qian was sent to the Soviet Union to study in the Central Youth League School. A year

later, he became a second secretary of the Chinese embassy in Moscow. Later he worked as a deputy head of the student section, director of the research section. He left the embassy and returned to Beijing in 1963. He was appointed the division head in charge of students studying abroad in the Ministry of Higher Education. He was then promoted to be the deputy director of the ministry's Foreign Affairs Department.

During the Cultural Revolution, he was, with no exception, criticized and sent to work in a cadre's school in the countryside. He planted rice seedlings in paddy fields, laid tiles on roofs and so on. He was back to office in 1972. He was first appointed an attache of the Chinese embassy to the former Soviet Union, then as an ambassador to Guinea for two years and a half. When he returned to the Foreign Ministry, he was appointed the director of the Department of Information. Three years later, he was appointed vice-minister of Foreign Affairs, in charge of affairs concerning the former Soviet Union and East European countries. That was April of 1982.

In April, 1988, Qian became Foreign Minister. From then to 1993, he has visited 111 countries and regions, attended 21 international or regional conferences in capacity of China's Foreign Minister.

Qian was a man with both strong will-power and flexibility. He is gentle and easy-going by nature. Even when most annoyed at negotiations, he would never raise his voice to quarrel. As far as diplomatic work is concerned, he sticks to being sober, firm, flexible and resolute. Being emotional doesn't work, he once said. A diplomat must be cool-headed. When there is an opportunity to get a kind of compromise, he must seize the opportunity and make right decision in order to reach an agreement.

To think twice when making a decision, to be efficient and fast when implementing a decision is his motto. He greatly admires late Premier Zhou Enlai and doggedly follows his instruction: To be firm in one's political stance, have a good mastery of policies, arduously study one's profession and be strict about self-discipline.

Qian does not smoke nor drink alcohol. He was a great lover of photography when he was young but had to give up since he was too busy. His hobby is reading and walking.

He is respected and liked by news reporters. This is not merely because of his excellent work. The main reason is that he never refuses to answer their questions, and his answers are original and informative.

Qian has a caring, understanding family full of love and trust. His wife, named Zhou Hanqiong, works in the Foreign Ministry as well. His daughter is engaged in research work of environmental protection, and his son a Chinese classical literature researcher.

#### **Dissident Gao Yu's Family To Protest Verdict**

HK1711083294 Hong Kong SOUTH CHINA MORNING POST in English 17 Nov 94 p 15

[By A Staff Reporter]

[FBIS Transcribed Text] The family of mainland journalist Gao Yu, sentenced to six years for "leaking state secrets," will lodge an appeal against the verdict today.

The family was disappointed with the secretive way the court delivered its verdict and thought the six-year term "totally unacceptable and unreasonable," an informed source said.

Relatives also expressed anger at Xu Simin, the publisher of the Hong Kong-based magazine "The Mirror" of which Gao was a special correspondent. They said they were unhappy with Mr Xu's claim that there was no link between the articles Gao wrote for "The Mirror" and her imprisonment, the source added.

According to the verdict, delivered by the Beijing Intermediate Court last Thursday, Gao was found guilty of leaking "important, confidential state secrets." It did not specify the articles in question, but Mr Xu, a member of the standing committee of the Chinese People's Political Consultative Conference (CPPCC) said the articles Gao wrote for his publications carried no secret information.

But sources said the official prosecution document against Gao, issued on March 12, accused her of using "state secrets" to write articles for "The Mirror" and the "Overseas Chinese Daily News." The document did not specify the articles in question, but said the "secrets" included speeches made by President Jiang Zemin, and the two Vice-Chairmen of the Central Military Commission, Liu Huaqing and Zhang Zhen.

It said that between January and April 1993, Gao had obtained secrets on governmental structural reform, the civil service system, the salary system reforms as well as the candidate lists for government leaders to be confirmed at the Eighth National People's Congress and the CPPCC.

The two articles Gao wrote for the March 1993 and April 1993 issues of "The Mirror" carried information on structural reforms, salary reforms and candidate lists.

Sources said the Gao family had been trying to contact Mr Xu since last December, but without success. They said they had not expected such a heavy sentence.

"What has she done to deserve this?" one relative asked. "Her case is definitely different from that of (Hong Kong journalist) Xi Yang. One can still argue that Xi brought the country economic loss but how could Gao's articles have brought the country any loss? They (the court) are playing a joke with Chinese law."

Sources said Gao had pleaded not guilty to the charges. She told the court that she was confident of her judgment of what constituted state secrets after working as a journalist for so many years.

#### **Tianjin Police Entered Hong Kong To Nab Activist**

HK1711083894 Hong Kong EASTERN EXPRESS in English 17 Nov 94 p 1

[By Bruce Gilley]

[FBIS Transcribed Text] Police in the northern Chinese city of Tianjin claim to have entered Hong Kong in June to detain and repatriate a pro-democracy activist who has since been sentenced to three years in a labour camp for illegally leaving the country.

Tianjin's Public Security Bureau (PSB) formally arrested Lu Honglai in Guangzhou on June 20, just over a week after he arrived in the city to collect goods for his wife's business. PSB officials told his wife, Li Jiyan, that he had been sentenced on October 26 to three years in an education-through-labour camp for illegal emigration.

"They told me they had to go all the way into Hong Kong and bring him back to China under escort," Li said from Tianjin last night. "They said they knew exactly where to look for him."

Hong Kong's police department frequently co-operates with its mainland counterparts in the repatriation of suspected mainland criminals who are in the territory, although no formal agreement exists to cover the practice.

Those believed to face political persecution in China are often granted temporary visas and protection until they can be resettled in a third country. In the past year, more than a dozen dissidents are understood to have escaped from China through Hong Kong.

Sources in the pro-democracy movement in Hong Kong said that one of Lu's colleagues from Tianjin successfully escaped to Hong Kong in the same month and is now under police protection awaiting political asylum abroad. Both men had previously been jailed for taking part in the Democracy Wall movement of the late 1970's in China and had remained active in China's heavily repressed pro-democracy movement since then.

Li called the charges against her husband "unfair" and said he did not seek to escape to Hong Kong. She said Tianjin police were using the excuse of illegal emigration in order to avoid sentencing him under one of the more common charges used against political dissidents in China.

#### **Lawsuits Against State Increasing 30% Annually** *HK1711062594 Beijing CHINA DAILY in English* 17 Nov 94 p 1

[By Ma Chenguang: "Suits Versus Government Climb 30 Percent"]

[FBIS Transcribed Text] Lawsuits against government departments have risen by about 30 per cent a year since China's first Administrative Procedure Law went into effect four years ago.

By the end of last year, more than 27,000 such cases had been filed, a sign that citizens and non-government agencies have begun to challenge administrative organs over decisions they believe to be wrong, law expert Shan Changzong said yesterday.

Shan, deputy-director of the China Institute of Applied Laws under the Supreme People's Court, said most of the cases concerned economic administrative decisions involving industry and commerce, land, real estate and other areas.

In trials, government agencies lost about 20 percent of the cases.

In another 10 percent of cases, the government bodies reversed their decisions and the cases were withdrawn, taking the total of "lost" cases to about 30 percent, Shan said.

The 27,000 cases is still too small for a country with 1.2 billion people, China Law Society vice-chairman Chen Guangzhong said.

However, Shan still predicts a gradual growth of such cases as China's economy becomes more market-oriented and its legal system is perfected.

#### **New Law To Help Control Occupational Diseases** *OW1711093894 Beijing XINHUA in English 0921* GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—China is to unveil a law for the prevention and control of occupational diseases next year to protect the health of its workers, according to health officials.

According to them, the State Council is now formulating a law concerning the prevention and treatment of occupational diseases.

They said the law will stipulate the workers' rights and liabilities in control of such diseases to protect their own health.

It is expected to be adopted by the standing committee of the national people's congress in the coming year, they added.

In addition, the ministry will make a nation-wide investigation into the health conditions of the workers who work in foreign-funded joint ventures.

Over the past few years, China has set up more than 100 sets of standards for health care and physical examination related to the occupational diseases.

More and more workshops or construction sites have adopted these standards.

The officials said with a fast economic growth over the past few years, the incidence of occupational diseases in the country has now been kept low.

However, they said, the health conditions of workers in rural enterprises and foreign-funded joint ventures have become worse.

**Han Dongfang To Continue To Publicize Workers' Plight***HK1711082994 Hong Kong SOUTH CHINA MORNING POST in English 17 Nov 94 p 15*

[By Dick Chan]

[FBIS Transcribed Text] Former labour leader Han Dong-fang said he could no longer keep close contact with his mainland colleagues because they had either been jailed or arrested.

"All those I could keep contact with have been arrested or jailed. In other words, I have lost all the links with colleagues in the mainland," Mr Han said, adding that he could not do much work for progress of the labour movement in China for the time being.

But he said he was trying to collect as much information as possible on labour rights and distribute it to the outside world to make more people concerned about deteriorating working conditions in China.

"I don't think this work could have any significant impact on the labour movement in the mainland. I just want to attract more attention from the outside world. Maybe this could one day have an effect on the labour movement," he said.

He criticised the Trade Union Law and the Labour Law, which had prevented Chinese workers from striking and setting up free trade unions. Workers had to get approval from the All China Federation of Trade Unions, which is under the control of the Communist Party, before they could take any action.

Evidence showed that discontent among labourers had reach a dangerous level, which would cause instability in society, he said. "We can see safety standards in Chinese factories are worsening, leading to disastrous accidents, while more and more strikes have occurred in recent years."

This was as a result of neglecting labour's voice, he said. "We can never talk about labour rights without the participation of workers."

**Crime, Punishment Report for 1-15 Nov***HK1611122394*

[FBIS Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored during the period 1-15 November. The source and mode of processing are given in parentheses at the end of each entry.

As evidenced by the stories listed below, during the month PRC crime reportage focused on drugs, pornography and violent crime.

**NATIONAL****Various Provinces Execute Six for Value-Added Tax Invoice Offenses**

The Supreme People's Court told a press conference held in Beijing on 27 October that Hu Ming, Wang Zhen, Chen Ertou, Cui Wenrui, Deng Ge, and Li Shengli had been executed the same day by the intermediate people's courts in various provinces for illegally printing, reselling at a profit, or making out false special value-added tax invoices.

Hu was manager of the Hetong Postal and Telecommunications Industrial Company, Jiangyin City, Jiangsu Province, while Wang was Hetong tax group leader under the Jiangyin Tax Bureau, Changjiang Tax Office. In February 1994, Hu, with Wang's assistance, made out 68 false special value-added invoices for 13 enterprises in Guangdong with face sales totaling 337 million yuan and tax amounting to 57.34 million yuan. Hu pocketed 262,000 yuan and Wang took 60,000 yuan and gold jewelry worth 3,800 yuan as bribes.

Chen was manager of the Tianji Light and Textile Industrial Company Limited. In April 1994, he made out 24 false special value-added tax invoices for six enterprises in Puning City, Guangdong, with sales amounting to 148 million yuan and value-added tax of 25.24 million yuan. Chen accepted handling charges of 300,000 yuan.

Cui was a retired worker of the Suqiao Town Supply and Marketing Cooperative, Wenan County, Hebei Province. From April 1993 to March 1994, Cui, together with others, made out 5,939 invoices making a profit of 348,000 yuan, resulting in a loss of 1.5 million yuan in state tax revenues. Cui received 244,000 yuan in bribes.

Deng was an individual printer in Caidian District in Wuhan City, Hubei. In February 1994, Deng printed 800 false Hubei special value-added tax invoices in 16 books and sold them altogether. In addition he printed 200,000 other invoices and sold 197,200 of them.

Li was also an individual printer in the same district. In March 1994 he printed 8,050 illegal Hubei special value-added tax invoices in 161 books and sold 1,500 of them. From July 1993 to March 1994, he also printed 45,100 invoices of five other kinds and sold them all at a handsome profit.

(Summary) (Beijing FAZHI RIBAO in Chinese 28 Oct 94 p 1)

**Public Security Ministry To Set Up National Crime Information Center**

The Ministry of Public Security has recently decided to create a national center for information on crime, while branch centers at provincial and municipal levels will also be set up correspondingly. By the turn of the century an effective and complete information system will take initial shape for fighting crime.

As there have in recent years been growing criminal cases committed by bad elements not holding permanent household status in a place where they committed crime and by those who fled the place immediately after the crime, the public security departments found it very difficult to launch effective investigation into such cases and trace the suspects. The computerized information system used by public security departments at present could not help deal with the growing crimes because of its slow transmission of information and small scale of coverage, all of which posed restrictions on the police investigation.

The new national information center will be capable of rapidly, effectively and accurately transmitting information on criminals among various places across the country via the computer network or special telecommunications network employed by the public security departments. Information on criminals can be collected by information centers at various levels, which will be beneficial for offering details on suspects. The system helps strike at crimes and track down suspects by getting together information from various regions and departments.

The national information center run by the ministry will go into operation by the end of this year, while at the same time 11 provinces and municipalities, including Beijing, Tianjin, Shanghai, Liaoning Province, Jiangsu Province, Anhui Province, Guangdong Province and Fujian Province, as well as the key cities under their respective jurisdictions, will provide, on a trial basis, information in a swift way on criminals and stolen automobiles.

(Text) (Beijing ZHONGGUO XINWEN SHE in English 1308 GMT 9 Nov 94)

## FUJIAN

### Fujian Arrests, Prosecutes 15 Economic Criminals

Fang Minghua, former deputy head of the antismuggling detachment under the Fuzhou Customs, was prosecuted by the procuratorial organs the other day for intercepting smuggled cigarettes, writing off the item from the account, sharing the money, and pocketing 55,000 yuan.

A few days ago, Fujian procuratorial organs also charged another three criminals involved in corruption and bribery: Chen Jinfu, former deputy general manager of Xiamen International Economic and Technological Cooperation Company, who was involved in corruption; Lin Hongjiao, head of the Enterprise Management Office under the Fujian Construction Committee, who was involved in bribery; and Xie Qixin, party branch secretary of Xiaoyang Town's Gukou Village in Fuyang city, who embezzled 169,000 yuan of public funds.

Fujian Procuratorate also arrested 11 economic criminals, of whom five were section-level cadres: Yu Xinwen, former vice mayor of Ningde City, who accepted bribes; Huang Quanguo, former standing committee member of

Nanan City party committee and head of the city's armed forces, who abused his powers to accept a huge amount of bribes; Zheng Wenlong, former party secretary of Sanming Iron and Steel Plant, who accepted bribes; Lin Mingde, former deputy director of Yongyan Machine-Building Factory, who accepted bribes; and He Jintang, former manager of Fujian Production Means Company, who neglected his duties, resulting in huge economic losses. Of the other six criminals, three were bank or security staff members. They embezzled huge amounts of funds or abused their powers to overdraw public funds to engage in stock speculation.

Since the beginning of this year, Fujian Procuratorate has publicly announced on four occasions the arrest and prosecution of 60 economic criminals.

(Text) (Beijing ZHONGGUO XINWEN SHE in Chinese 1108 GMT 9 Nov 94)

### "Hurricane Action" Against Crimes in Fujian

Fujian's public security departments staged a campaign, called "Hurricane Action," against pornographic products and illegal publications in the province in late October.

During the three-day action, the police discovered 167 cases of widespread pornographic products with 365 persons involved, closing down over 200 video-projection rooms and videotape-lending shops. Nearly 6,000 pornographic videotapes and magazines were seized, some 230 cases of going whoring and prostitution involving 564 persons were foiled and nearly 2,000 barber shops were forced to correct their malpractices, stop their business or close.

Radio and television administrations in the province also inspected more than 3,000 places for wholesaling, lending and projection of video and audio products, seizing over 28,000 pornographic and pirated video and audio tapes.

The provincial Public Security Bureau and Radio and Television Bureau destroyed over 65,000 pornographic and illegally published video and audio tapes, publications and nude poker [as received] yesterday.

(Text) (Beijing ZHONGGUO XINWEN SHE in English 1257 GMT 9 Nov 94)

## GUANGDONG

### Guangdong Launches Three Operations Against Crime This Year

As revealed by Chen Shaoji, provincial public security bureau director, at the provincial people's congress standing committee meeting in Guangzhou today, public security organs in Guangdong this year have launched three special operations to crack down on criminal cases involving more than 10,000 culprits. First, tens of thousands of policemen patrolled highways every day during the Spring Festival and cracked 2,199 cases of road

banditry and arrested 2,970 criminals over two months. Second, special operations were launched last April to crack down on car theft and over six months 8,566 such cases were cracked, 6,712 criminals arrested, and 997 stolen cars and 6,325 stolen motorcycles retrieved. Third, operations have been launched since last July to crack down on vice, gambling, and drug-related crimes, and up to 20 October 1,447 such criminals had been arrested and 6,250 such dens smashed.

(Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1136 GMT 12 Nov 94)

#### **Counterfeit Renminbi Transactions Rampant in Shenzhen**

According to the police in Shenzhen City, counterfeit renminbi transactions are rampant in Shenzhen because overseas illegal elements have been smuggling large amounts of counterfeit renminbi into the mainland this year, and the police branch in Luohu District alone has seized more than 1 million yuan this year. On 7 November the branch was informed of a transaction; two days later, a trafficker was caught and 160,000 yuan of counterfeit renminbi seized.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1137 GMT 14 Nov 94)

#### **Zhuhai Arrests Culprit in 1.7 Million-Yuan Embezzlement Case**

Deng Ping, a credit officer of a financial unit in Zhuhai, was recently arrested by the procuratorial organs for embezzling 1.7 million yuan of public funds. This is the third-largest corruption case cracked by Zhuhai this year.

In late October this year, the Zhuhai Anticorruption Bureau was informed that a credit officer of a financial unit called Deng Ping had absconded with 1.7 million yuan of public funds. The bureau immediately set up an investigation team, traveled more than 1,000 km, and arrested the culprit on the third day in Haikou, Hainan.

It has been verified that Deng Ping abused his powers to collaborate with others. In September and October this year, he forged a loan contract in the name of a certain company, signed the paper in the company head's name, and deceived the financial company out of a loan of 1.7 million yuan. He transferred the loan to a private store in Zhuhai and then took the money away.

(Text) (Beijing ZHONGGUO XINWEN SHE in Chinese 1128 GMT 8 Oct 94)

#### **Guangzhou Finds Financial Discipline Violations of 35.8 Million Yuan**

Guangzhou's taxation and financial self-inspection, which lasted one month and concluded at the end of October, discovered discipline violations amounting to 35.87 million yuan, of which 33.78 million yuan was to be delivered to the treasury.

The inspection was focused on the discipline and law violations cropping up in implementing the new taxation and financial policies. The problems in taxation included: Failure to declare business income and sales income, under-delivery of circulation taxes, and failure to turn over stamp duty and income tax. The problems in the financial system included: Drawing of funds not in accordance with the stipulated proportion, failure to deliver energy and communications construction funds and the state's budgetary regulatory funds, indiscriminate exaction of charges, violation of provisions on controlled goods, and purchase of controlled commodities without authorization.

The financial, taxation, and auditing departments at all levels in Guangzhou have dispatched 577 inspection teams to further investigate the discipline and law violations in state and collective enterprises, institutions, and central units in Guangzhou.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0855 GMT 10 Nov 94)

#### **Huizhou Mounts Drive Against Pornography, Gambling, Drugs**

Thanks to the citywide drive launched by Huizhou since July this year to wipe out pornography, gambling, and drugs, prostitution and gambling have been checked and drug addiction and trafficking have been sternly punished.

By the end of last month, the city had cracked over 300 cases, arrested 1,700 criminals, and confiscated more than 2 kg of drugs and large numbers of pornographic videotapes and books.

The city focused the attack on the ringleaders involved in plotting, protecting, and operating criminal activities and arrested 20 such offenders. The city's cultural department also issued a circular on closing 130 electronic games centers. The industrial and commercial administrative department screened the 1,300 hair salons and beauty centers, banned 26 massage centers, and closed 30 hair parlors and beauty centers for involvement in pornographic activities. The radio department [as received] also screened thousands of book stalls and 140 video-showing centers.

(Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1025 GMT 10 Nov 94)

#### **Guangzhou Airport Seizes 550 gm of Heroin January-October**

From January to October this year, the inspection post at Guangzhou Baiyun Airport discovered and seized 550 grams of heroin and 3,844 pornographic videotapes, books, playing cards, and laser discs. The inspection post has cracked 20 drug smuggling cases this year, the highest number for several years. While checking two passengers for a flight to Dalian on 24 February, security personnel found a pack of heroin in a biscuit box in their

luggage and two small packs of heroin in the tennis shoes of one of them. They found 105 grams of heroin in the abdomen of a Shanghai-bound passenger.

On 2 November, the airport security personnel discovered seven pornographic videotapes carried by a passenger for a flight to Beijing. On 22 October, they found 22 boxes of pornographic laser discs in a passenger's luggage. A Sichuan-bound passenger was discovered on 29 September carrying 46 erotic videotapes.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0855 GMT 10 Nov 94)

#### **Shenzhen Arrests 16 Selling Fake Invoices, Border Passes to Drivers**

Since May this year a number of lawbreakers have sold fake invoices, fund receipts, and "temporary border passes for trucks" at the Huanggang outlet, Shenzhen. In August Shenzhen police found many Hong Kong container-truck drivers possessed the fake papers and investigated. They searched a make-shift house at the Huanggang outlet following a tip-off a few days ago and seized various kinds of false papers of the kind mentioned above, with a face value of 224,000 yuan, and arrested 16 people.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0854 GMT 9 Nov 94)

#### **Shenzhen Arrests 687 Since January in Anti-Smuggling Campaign**

The Shenzhen Public Security Bureau has tracked down 265 smuggling cases, arrested 687 smugglers and confiscated a total of RMB [renminbi] 123 million in the campaign against such crimes since January this year.

To curb smuggling activities, the bureau has organized a special team to suppress smuggling, issued a notice to reiterate that smuggling will be seriously dealt with and organized a working group to examine those anti-smuggling departments.

(Text) (Beijing ZHONGGUO XINWEN SHE in English 0954 GMT 10 Nov 94)

#### **Guangdong Cracks Down on Pornography, Gambling, Drug-Trafficking**

Guangdong has cracked down on 19,000 cases of "pornography, gambling and drug-trafficking" and dealt with 82,000 criminals in the past three months, said Chen Shaoji, head of the Guangdong Public Security Bureau, on the spot of a refuse incineration at Mount Datian of Huangpu District, Guangzhou, where three tonnes of gambling devices and obscene materials, including video products, paintings, photographs, publications, sex aids as well as 20 kilograms of drugs, heroin and "ice" were destroyed.

Since the provincial government of Guangdong decided to launch a unified campaign to crack down on the evils

of "pornography, gambling and drug-trafficking", some periodic successes have been achieved in the past three months. The achievements include smashing over 4,000 triad rings engaged in activities of "pornography, gambling and drug-trafficking" and destroying more than 8,000 dens and the seizure of a great deal of related materials, Mr. Chen said.

It is tough work to eliminate the evils of "pornography, gambling and drug-trafficking". Therefore all districts should not be satisfied with their present achievement and continue to work hard.

(Text) (Beijing ZHONGGUO XINWEN SHE in English 1230 GMT 3 Nov 94)

#### **GUANGXI**

##### **Guangxi Acts on Pornography, Illegal Publication, Audiovisual Piracy**

Yang Jichang, regional CPC committee propaganda department head, disclosed at a news briefing yesterday that four region-wide special operations were launched before and after Spring Festival, May Day, and National Day and in early November this year to crack down on pornography, illegal publications, and pirated audiovisual products. According to statistics compiled by the office of the regional leading body on antipornography work, more than 16,800 officers in charge of public security, politics and law, and industrial and commercial administration were deployed in the first three operations and over 158,000 copies of illegal publications and over 59,000 cases of pirated audiovisual products were seized.

(Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1118 GMT 13 Nov 94)

##### **Guangxi Police Crack 4,165 Major Criminal Cases 15 Aug-30 Sep**

According to Guangxi Public Security Department statistics, from 15 August to 30 September, Guangxi police cracked 4,165 major criminal cases, identified 1,834 criminal gangs, arrested 874 escaped criminals, and seized 1,789 guns and 2,307 cartridges, as well as cracking down on vice establishments.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1129 GMT 29 Oct 94)

##### **Guangxi Deputy Mayor, Two Other Officials Punished for Misconduct**

A group of 11 people, headed by Liang Chengbin, deputy mayor of Beiliu City of Guangxi, arrived in Shenzhen on 9 September to learn about city planning and management. They stayed at the Lido Hotel. That night, Liang Chengbin, Chen Chenghan, deputy head of the group, and group member Gu Yuanlong went out and met three women and brought them back to the hotel. Two women without identity cards were taken away to be questioned by the police. Another woman named Liu followed Gu

into his room, where they shared a bed. They were caught by the policeman on duty. Later the six of them were taken to the sub-office of Luohu Public Security Bureau. Gu was fined 5,000 yuan.

The three men were later disciplined by the local party committee and government. Liang and Chen were given serious warnings by the party, while Gu was expelled from the party. Liang was dismissed from the post of deputy mayor. Chen was deprived of the positions of deputy head of the general office of the municipal government, deputy head of the municipal land bureau, and general manager of a real estate company. Gu was removed from his posts as deputy head of the city construction committee and director of the city civil engineering bureau. Their salaries have also been reduced according to law.

(Summary) (Beijing ZHONGGUO XINWEN SHE in English 0752 GMT 15 Nov 94)

#### **Liuzhou Railway Public Security Bureau Cracks Down on Crime**

Liuzhou Railway Public Security Bureau has carried out a crack down on pornography and drug addiction in areas along railways and inspected audio, video, cultural, and amusement centers. Since the beginning of October it has sent 1,100 public security personnel to check 21 key establishments; cracked 17 cases of disseminating pornographic publications and prostitution; arrested 30 criminals; and seized 53 pornographic books and 20 videotapes.

(Summary) (Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 9 Nov 94)

#### **Over 40,000 Drug Addicts Officially Recorded in Guangxi**

Guangxi Department of Public Security statistics indicate that since heroin use was first discovered in 1987, the number of drug addicts has risen rapidly to over 40,000 officially recorded by late last June.

Lu Bing, vice governor and head of an antinarcotics leading team, said at a conference on countering drugs that there had appeared a critical state in the region unprecedented since the antidrugs campaign was launched in the 1950's. Drug addiction had spread from the border area of the region inland and from urban to rural areas. Drug addicts were mostly robbers and prostitutes. Drug addiction had become a hotbed of violent crime and of other crime related to underground society.

The Guangxi People's Congress Standing Committee approved an antinarcotics ordinance in September 1992 covering concrete stipulations for countering narcotics and for stopping drug addiction from the legal aspect. The Guangxi authorities issued early this year a notice on a strengthened antinarcotics drive which said that countering narcotics and stopping drug addiction had to be given priority for a radical solution to the problem.

There are now compulsory drug rehabilitation centers in five cities and counties, including Nanning, Liuzhou and Wuzhou. Voluntary drug rehabilitation centers have also been set up in nine state-operated hospitals. At least 13,000 addicts have been admitted on either a compulsory or a voluntary basis.

Guangxi police checked 9,459 drugs cases between last year and last September, arresting some 10,000 suspects and seizing some 1,000 kg of drugs. In addition to raids against drug-trafficking, the police also carried out large-scale actions to cut off supplies of drugs.

(Summary) (Beijing ZHONGGUO XINWEN SHE in English 1122 GMT 2 Nov 94)

### **HAINAN**

#### **Haikou Customs Seizes 15 Ships Involved in Smuggling Since August**

Since August this year, Haikou customs has intercepted 10 smuggling cases at sea, seizing 15 ships in which were found 12,000 cartons of cigarettes, six cars, 2,000 tonnes of coal, and other smuggled goods with a total value of 33.75 million yuan.

Over the last few months, Haikou customs has focused on smuggling gangs in the Bachao Gulf. From 1 to 15 August, 12,580 cartons of cigarettes worth 28.55 million yuan were seized from 11 ships.

These ships accepted goods from big foreign ships in international waters or loaded goods at overseas ports and then smuggled them into Guangdong through the Qiongzhou Strait.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0949 GMT 31 Oct 94)

#### **Haikou Executes Eight for Violent Crimes After Mass Rally**

The Haikou Intermediate People's Court sentenced 18 criminals at a mass rally, and eight of them were executed immediately afterward.

Wang Lei retaliated against a person by shooting him dead; armed with guns, Chen Jianxin and Zhang Guangwei robbed people of money and belongings worth 25,000 yuan and Chen shot a person in the tussle, causing serious injury; He Zhengping and Wang Zili jointly killed their partner called Lai and cut up the body to destroy the evidence and were involved in several armed robberies; Wang Xiaochun, a married man, lived illegally with a woman called Fan for a long time and then hacked her to death and dismembered the body when their relationship turned sour; Yue Hongjie gathered together a number of people and killed a person with a knife out of revenge; and Yu Bing willfully killed a person with a knife.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0943 GMT 4 Nov 94)

**Haikou Public Security Bureau Official, 2 Robbers Die in Gun Battle**

On the night of 10 November, two robbers were shot dead during a major armed robbery in front of the Workers' Cultural Palace on Jiefang Street, Haikou. Receiving a report on a robbery, Chen Yirong, deputy director of the Haikou City Public Security Bureau's Social Order Section, and three policemen hurried to the scene. The robbers opened fire on the policemen. The two robbers and Chen Yirong were killed in a five-minute gun battle.

(Summary) (Haikou Hainan People's Radio Network in Mandarin 2300 GMT 10 Nov 94)

**Hainan Court Increases Sentence on Appeal by Procuratorate**

The Qionghshan City Procuratorate has successfully corrected a court judgment in a criminal case which was too light, thus safeguarding the dignity of the law. Li Liyong and his gang members used muzzle-loading guns and knives to commit robbery in Haikou, seriously threatening the safety of the people's lives and property. In July 1992, the Qionghshan City Public Security Bureau uncovered this case and seized Li Liyong. But Li Liyong escaped in March 1993 and was rearrested in August the same year. In late January this year, the Qionghshan City People's Court sentenced Li Liyong to six and a half years' imprisonment on charges of robbery, blackmail, and escaping detention. The Qionghshan City Procuratorate, considering the sentence light, appealed to the Hainan Provincial Intermediate People's Court, in accordance with Article 130 of the Criminal Law, for reexamination of the case. The provincial intermediate people's court considered the appeal reasonable and changed the verdict to thirteen and a half years in accordance with Section 2 of Article 150 of the Criminal Law.

(Text) (Haikou Hainan People's Radio Network in Mandarin 2300 GMT 4 Nov 94)

**QINGHAI**

**Xining Court Sentences Eight to Death for Murder, Looting, Injury**

On 22 October, the Xining City Intermediate People's Court called a mass rally to pronounce death sentences on eight people charged with murder, looting, and willfully injuring other people.

Sun Yudong and Xing Linping broke into a residential unit in the Qinghai Teachers' University to commit theft on 22 February 1993. Discovered by the occupant, they killed him and stole a camera and cigarettes. Earlier, the two committed thefts in other places.

Zhang Tingbin fled to Xining after committing murder in Sichuan. On the evening of 11 August 1993, he

quarreled with two students in Xining and killed one of them and injured the other. He also killed a pedestrian by mistake.

Duan Changzheng killed two people and injured two others while robbing the hospital attached to the Qinghai Medical College of 120,000 yuan of public funds on 7 December 1993.

Wielding a pistol and a dagger, Fu Chanlin robbed a self-employed operator in Xining, badly injuring the man and his wife.

Ma Baoming, with accomplices, made trouble at a ball on 15 May 1993 and afterward beat to death a young man he had quarreled with.

With a shotgun and a dagger Miao Weijun, on 26 October 1993, killed three people and injured another. They were members of the same family, one of whom had broken off his engagement to Miao's daughter.

Bao Zhengyu killed his elder brother and two cousins with a knife after a quarrel over wine on 23 November 1993.

Immediately after the rally, the criminals were executed.

(Summary) (Xining QINGHAI RIBAO in Chinese 23 Oct 94 p 1)

**Qinghai Public Security Organs Crack Major Criminal Cases Sep-Oct**

Since September Qinghai public security organs have smashed a Henan criminal gang that had stolen telecommunications equipment worth over 200,000 yuan in the province on 18 separate occasions; captured four notorious fugitive robbers; and seized from captured criminals more than 83,000 yuan of illicit money.

(Summary) (Xining Qinghai People's Radio Network in Mandarin 2300 GMT 31 Oct 94)

**SHAANXI**

**Shaanxi Achieves Successes in Improving Social Order**

Since the "storm campaign" introduced half a year ago, Shaanxi has achieved marked successes in wiping out evil forces and improving social order. By mid-October, the province had cracked more than 10,000 various types of criminal cases, arrested 13,000 offenders, captured 1,350 escaped principal criminals, detained more than 3,000 ruffians, and smashed 1,349 criminal rings.

The criminal cases placed on file for investigation and prosecution in the third quarter dropped by 10.8 percent and 8.6 percent respectively over the second quarter and the same period last year. The arrogance of the evil forces in rural areas was particularly punctured.

According to an official of the Shaanxi Public Security Department, from now until the coming Spring Festival,

the province will launch a drive to "crack major cases, track escaped criminals, improve social order, and take preventive measures."

(Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1102 GMT 9 Nov 94)

### SHANGHAI

#### More Mainland Jobbers Embezzle Public Funds in 1974

Latest statistics show more mainland jobbers embezzled public funds this year. In Shanghai alone 73 cases of jobbers embezzling public funds were detected from January to September, involving 72.74 million yuan, up 300 and 200 percent over the same period last year.

A person called Xu, a staff member of the Shanghai branch of a certain Dalian securities company, embezzled 900,000 yuan of public funds to speculate in stocks from November last year to March this year.

Another person called Yang, an assistant manager of the Yangpu securities branch of a certain bank's trust and investment company, embezzled 1 million yuan of public funds to speculate in stocks by abusing his power.

(Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0933 GMT 4 Nov 94)

### SHANDONG

#### Arsonist Confesses To Causing Deaths of 12 Female Students

Zhuang Zongling, 49, from Chifeng City of Inner Mongolia, has confessed to setting fire to a female students' dormitory at No. 8, Jiankang Road, Jinan City on 30 October. Twelve students died, one was seriously burned, and another was injured in a fall.

The dormitory housed students of a training center of a scientific and technological development company under the Shandong Traditional Chinese Medical College. Zhuang, who was enrolled in the center last year, had an illegal affair with a classmate named Li, but they had fallen out. When he went to her room, Zhuang had been cold-shouldered by Li and often told off by other girl students. Zhuang started to hate them and nursed thoughts of revenge. That morning he went to the dormitory and set fire to it.

(Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1120 GMT 4 Nov 94)

### SICHUAN

#### Sichuan Achieves Good Results in Cracking Down on Crime in September

At the meeting held on 21 October 1994, Niu Ping, director of the Public Security Department, said that Sichuan achieved good results in sternly cracking down on crime in September, arrested over 8,000 criminals

and 1,000 offenders sentenced to reform through labor, cracked 18,000 various types of cases (including 3,000 major cases), smashed 2,000 criminal gangs, captured 3,000 fugitives, and punctured the arrogance of criminal offenders, local evil forces in particular. To ensure safety during the New Year and Spring Festival, Niu Ping urged public security organs at all levels to continue the drive to sternly crack down on criminal activities for the next two and a half months, crack major cases, and track fugitives.

(Summary) (Chengdu SICHUAN RIBAO in Chinese 23 Oct 94 p 1)

#### Official Announces Results of Crackdown on Crime

In the crackdown on criminal activities launched early this year, Chengdu police have cracked a number of serious and major cases and arrested large numbers of offenders. From January to September the city cracked 19,590 various types of criminal cases and meted out punishment to 6,225 criminal offenders. Compared with the same period last year, Chengdu cracked 3,000 more cases in 1994, of which 618 were major cases.

Deputy Public Security Director Li Jian said that some 5,000 major cases which had occurred since 1992 remained unsettled and that there were more than 500 fugitives.

Chengdu police have also issued wanted circulars Nos 1 to 5 and published the names, residences, features, and offenses of 108 wanted criminals. The circulars were posted in urban and rural areas throughout the city.

(Summary) (Chengdu SICHUAN RIBAO in Chinese 1 Nov 94 p 3)

### YUNNAN

#### Kunming Court Sentences to Death 14 Involved in Drug-Trafficking

The Kunming Intermediate People's Court held a mass rally on the morning of 27 October to pronounce death sentences on 14 criminals, including Zhou Yuxiang and Li Jianjun, involved in drug-trafficking. After the rally the offenders were escorted to the execution ground.

Qiu Chuangjiao, president of the provincial higher people's court, and Sun Xiaohong, president of the Kunming Intermediate People's Court, attended the rally. He Xingzhou, deputy secretary of the Kunming City CPC Committee and chairman of the Kunming People's Congress Standing Committee, said that Kunming has made noticeable progress in fighting drug-related crime. The momentum of the growth of drug-trafficking and drug abuse has been effectively held in check, but it is necessary to understand that the antidrugs struggle is a difficult and long-term one.

(Summary) (Kunming YUNNAN RIBAO in Chinese 28 Oct 94 p 1)

## Military

### Jiang, Liu Huaqing Stress 'Army Managing Army'

HK1711114094 Hong Kong HSIN PAO in Chinese  
28 Oct 94 p 32

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429) in Beijing: "The Issue of 'Army Managing the Army' Is High on Agenda of Central Military Commission"]

[FBIS Translated Text] It was stated in the "Decision" on strengthening party building adopted at the Fourth Plenary Session of the 14th CPC Central Committee that in organizational building the CPC "has completed the handover of leadership from the second-generation central leading body to the third-generation leading body." This is a clear-cut indication that the CPC's second-generation leading group with Deng Xiaoping as the core has officially handed over their work to the third-generation leading group with Jiang Zemin as the core, and that Jiang's position as the leader of CPC and the supreme commander of the Army has been endorsed by the plenum. This will help the CPC's third-generation leading group, with Jiang Zemin as the core, in their two-fold efforts to seek steady progress and political maturity, thus ensuring an authoritative leading group in the post-Deng era.

Jiang's present position is completely the result of support from Deng and other CPC veterans. However, while laying a good foundation for Jiang's leadership over the party and the Army, Deng has also left quite a number of problems which Jiang has to solve, particularly, the problem of how to administer the party as well as the armed forces. If the "party should manage the party" decision adopted under Jiang's leadership at the Fourth Plenary Session of the 14th CPC Central Committee at the end of September is aimed at reinforcing the party's cohesive force and fighting capacity, then the "Army should manage the Army" decision made at the mid-September All-Army Managerial Work Conference, also under the leadership of Jiang, is aimed at ensuring the loyalty of the armed forces to the party and the party's absolute leadership over the armed forces.

### The Problem of "Army Not Managing the Army" Is Serious

As disclosed by a source in Beijing, the Chinese armed forces have developed from peasant revolutionary armed forces, and the sons of peasants form the majority of troops. It is an ideal cherished by several generations of CPC military leaders to modernize and regularize the Army in terms of the quality of soldiers and equipment. Following the founding the People's Republic of China, Mao Zedong once put forward the slogan "to strengthen the regularization of the armed forces." As for Deng, he also once had a plan to "reorganize the armed forces and bring regularization in line with the general objective of

army building." However, due to the impact of the Cultural Revolution during the 1960's and 1970's, the Army regularization program was shelved, and the armed forces were infected with the five problems of being "overstaffed, undisciplined, conceited, extravagant, and lazy," as Deng put it, with some leading bodies in Army units being "weak, lazy, and indolent." During the 1980's and 1990's the development of the commodity economy and the market economy have inevitably brought about a series of new problems in the management of the Army, bringing new challenges to the administration and education of the Army.

These new problems, even just based on disclosures by Chinese military leaders and army newspapers, are still manifested in at least the following ways: First, the five major problems pointed out by Deng some years ago, that is "overstaffed" (unwieldy organizational structures), "undisciplined" (poor sense of discipline plus factionalism), "conceited" (arrogance that leaves the army cut off from the people), "extravagant" (seeking material luxuries), and "lazy" (revolutionary will is waning and revolutionary integrity cannot be maintained in recent years) have not been completely rectified. Second, the commercial activities conducted by the armed forces have led to more and more serious regionalism, smuggling, corruption, and degeneration, which has weakened the fighting capacity and marred the image of the armed forces. Third, the regulations and rules are implemented only in form, resulting in many nonofficial local policies and rules. Fourth, the bureaucratic work style has worsened officer-soldier relations, with cases of beating, swearing at or physically punishing soldiers and encroaching on the interests of the rank and file occurring from time to time. All these new problems reflect the severity of the "Army losing the basic quality of a people's army and failing to manage the Army." And this spells a bottleneck which Jiang and other military leaders have to overcome in their efforts to "manage" the Army.

### The Whole Army Should Give Top Priority to Management This Year

The source disclosed that, in view of the urgency to change the phenomena of the "Army losing the basic quality of a people's army and failing to manage the Army," the Central Military Commission [CMC] has taken consecutive measures in this direction. At the beginning of the year, the work of strengthening and improving Army management was placed at the top of its agenda. Not long after that, the heads of military affairs and logistics departments of all the military regions were called to Beijing to discuss how to carry out the instruction on "giving top priority to management" issued by Jiang Zemin, chairman of the CMC. Then, on 15 September, a six-day All-Army Management Work Conference was held in Beijing to discuss how to reinforce management and strictly manage the Army. Both Jiang and CMC Vice Chairman Liu Huaqing gave instructions on management. Jiang said that under the

new situation it is a must to strictly manage the armed forces and to strengthen the sense of discipline among both officers and soldiers so that both orders and prohibitions are strictly enforced and all officers and soldiers follow orders in their actions. He pointed out that army management work is a fundamental work of basic and overall importance in army building. In civilian affairs, good management results in good economic efficiency. In the armed forces, good management leads to better combat effectiveness.

To build revolutionary, modern, and regular troops, it is necessary to have corresponding management. Managerial work is a meticulous and arduous task of a strong practical nature. Party committees in Army units at all levels must reinforce leadership, and great efforts should be made in grasping the fundamentals, laying a solid foundation, and achieving practical results. The managerial work must be carried out in a genuine sense. Liu Huaqing, however, stressed the point that whether or not Army leading officers and leading bodies set strict demands on themselves will have a substantial influence on the Army. He quoted the maxim of an ancient Chinese strategist: If the leader holds strictly to discipline his men will abide by discipline without his explicit instructions; if the leader fails to observe discipline, his men will not adhere to discipline either in spite of his explicit orders. It is obvious that Liu is not satisfied with the "exemplary" role played by leading Army officers and leading bodies.

He hoped that leading officers of the armed forces will regard as a banner the work style of officers at all levels during the war years when they "were the first to charge forward and the last to retreat, the first to endure hardships and the last to enjoy ease and comfort." This good tradition of setting an example should be carried forward. Officers should set an example for soldiers and set strict demands upon themselves whenever and in whatever they do. They should set a good example in carrying out orders, in waging arduous struggles, in keeping a clean and industrious government, and in observing discipline.

#### **Managing Army According to Law Is Foundation of Management**

According to experts in Beijing military academies and institutes, Liu Huaqing has succeeded in grasping the key link for reinforcing Army management when he called on officers at all levels to set an example to the soldiers. When Deng resumed his leading post for the third time and reorganized the armed forces, he laid special stress on the point that leading officers, especially senior officers, must set a good example. Only by so doing, can they foster well-trained soldiers, fine style, and strong combat effectiveness. To this end, timely criticism should be dealt to those who are not upright in personal conduct and not fair in handling specific issues. Serious penalties should be inflicted upon those who engage in malpractice for selfish ends. No indulgence or lenience

should be granted to such malpractice as insulting, beating, swearing at, and physically punishing soldiers or encroaching on the interests of the rank and file.

The source added that in the opinion of experts at Beijing military academies and institutes, only the perfection of the legal system and management of the Army according to the law constitute the foundation of Army management. Deng has pointed out that in strictly managing the Army and strengthening management, "it is better to rely on the legal system as the legal system is more reliable." In line with Deng's instructions and with a view to reinforcing Army management and regularization building, Jiang has promulgated some basic laws and regulations for this purpose, such as "The Outline for Army Building at the Grass-Roots Level" and "The Regulations of Military Ranks of Officers." Moreover, he has emphasized that leaders at all levels must attach importance to the application of regulations and rules in conducting Army administration and management.

As was pointed out by the source, specifically, the management of the Army according to the law means the implementation of "The Outline for Army Building at the Grass-Roots Levels." The implementation of the "outline" should not be limited to company units. The role of grass-roots-level officers, core members of the rank and file, and the soldier's committees should also be brought into full play. Thus, only when everyone both manages and is managed by others is the "Army managing the Army" in the real sense of the word, and only when the "Army manages the Army" can the "Army have the basic quality of a people's army."

#### **New Transport Helicopter's Design 'Finalized'**

OW1611143194 Beijing XINHUA in English 1333  
GMT 16 Nov 94

[FBIS Transcribed Text] Nanchang, November 16 (XINHUA)—A new helicopter design was finalized in Jingdezhen, a city in east China's Jiangxi Province early this month.

The Zhi-Ba Transport Helicopter could be used to transport personnel and cargo, fight forest fires and provide medical aid and do maritime patrols.

The Zhi-Ba, with a maximum payload of 13 tons, is the largest cargo helicopter ever built entirely by China. Research on it started in 1976 and in 1989 it passed the national technical assessment.

#### **Passes Technical Appraisal**

HK1711021794 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 13 Nov 94

[FBIS Translated Text] A large multipurpose single-turbine-blade [dan xuan ye], hangover-type [wei xiang shi] helicopter, which was jointly designed and manufactured by the China Helicopter Design and Research

Institution and the Chenghe Aircraft Industrial Company, passed a design finalization test yesterday in the city of Jingde. Vice Governor Huang Zhiquan, member of the provincial party committee's standing committee, attended the ceremony and expressed congratulations on behalf of the provincial party committee and government. He watched the overwater performance of a Zhiba transport helicopter, and praised it, saying that the successful manufacture of this helicopter is the pride of China's aviation industry and the glory of the Jiangxi people. It indicates a higher step in China's research and manufacture of helicopters.

The research and manufacture of the Zhiba transportation helicopter started with Premier Zhou Enlai's personal approval and care. It was test flown for the first time in 1985, and passed the state's technical appraisal in April 1989. It can be used for transportation, rescue, forest fire control, and sea search, with the maximum take-off weight of 13 metric tons. This is the heaviest tonnage helicopter designed and manufactured by China itself.

Present on this occasion were: Lieutenant General Shi Yinsheng, deputy commander of the Chinese Navy; Lieutenant General Xie Guang, vice chairman of the Commission for National Defense Science, Technology, and Industry; Lieutenant General Ye Zhengda, chairman of the Science and Technology Committee under the Commission for National Defense Science, Technology, and Industry; as well as experts, engineers, technicians, and representatives from the General Staff Headquarters; the Commission for National Defense Science, Technology, and Industry; the Chinese Navy and Air Force; and the Chinese General Aeronautics Company.

### Economic & Agricultural

**Zou Jiahua Urges Developing Computer Industry**  
OW1611143094 Beijing XINHUA in English 1326  
GMT 16 Nov 94

[FBIS Transcribed Text] Beijing, November 16 (XINHUA)—Chinese Vice-Premier Zou Jiahua said today that China must develop its own computer industry.

While inspecting the Legend Computer Group in Zhongguancun, Zou said, "To do this, we must develop hardware. More importantly, we must spread the use of computers and try hard to develop software."

Microprocessors have become increasingly popular throughout China, according to Zou and with the extensive use of electronics technology, computers, particularly microprocessors and should "find an increasingly wider use in all sectors of society and have bright prospects," he told workers and executives of the Legion [Legend] Group, the largest computer manufacturer in China.

He praised the group, a state-run company, for having taken the path of meeting fierce market competition over the past decade, and asked them to draw up a long-term development plan and increase investment in science and technology.

**Vice Minister Puts Food Processing Atop Agenda**  
HK1711062694 Beijing CHINA DAILY in English  
17 Nov 94 p 1

[By Sun Shangwu: "State Puts Processing Grain, Oil Atop Agenda"]

[FBIS Transcribed Text] The processing industries of grain and edible oil should be developed into pillar sectors of the national economy, a senior Internal Trade Ministry official said yesterday.

The nation needs to actively develop these industries to meet the increasing demand of Chinese people, according to the Vice-Minister of Internal Trade Bai Meiqing.

Bai kicked off an international seminar and exhibition on new approaches to producing food stuffs and intermediate products from cereal grains and oil seeds.

Five backbone sectors were put on the top of the development agenda—processing rice, wheat flour, edible plant oil, food and feed.

The Chinese food structure is mainly based on grain, using vegetables and some animal protein as a supplement. Bai said this structure will not change for quite a long period.

"Based on this situation, the enterprises in grain and oil industry should emphasize precision work as well as manufacturing traditional food," he told the meeting.

**Chen Junsheng on Township Enterprises**  
SK1711065994 Beijing XINHUA Domestic Service  
in Chinese 1431 GMT 15 Nov 94

[By reporter Wang Yanbin (3769 6056 1755): "Town and Township Enterprises Should Place Increasing Economic Results in the Primary Position"]

[FBIS Translated Text] Beijing, 15 Nov (XINHUA)—At the national meeting that concluded on 15 November to commend town and township enterprises, State Councillor Chen Junsheng said the vast number of town and township enterprises and entrepreneurs should witness not only the previous development and achievements, but also the competition and difficulties ahead of them; should make greater efforts in a down-to-earth manner; and should promote an increase in the economic results of town and township enterprises.

Chen Junsheng pointed out that at present, town and township enterprises should pay attention to grasping the following few aspects:

It is necessary to deal with different town and township enterprises in different ways, and to give different instructions to different enterprises. Town and township enterprises in economically developed areas should further upgrade their scales, standings, and standards. Areas that made a late start in developing town and township enterprises should foster the confidence and courage to end up in front, should positively and steadily select projects with good economic results in line with the state industrial policies and local actual conditions, and should try hard to catch up. On a mutually beneficial basis, the eastern, central, and western areas should learn from the others' strong points in order to offset their own deficiencies, should accelerate the pace of cooperation, and should upgrade the level of comprehensively developing town and township enterprises across the entire country.

It is necessary to place the increase in economic results in the primary position. Development is an essential criterion, so we must positively strive to attain the speed conditions permit us to attain. However, we must take economic results as a prerequisite, and must constantly pay attention to linking speed with benefits.

Chen Junsheng stated: Town and township enterprises should positively explore new modern enterprise organizational and managerial forms, should gradually set up a modern enterprise system, and should further enhance enterprises' vitality. Strengthening management and upgrading quality is the key to increasing economic results. At the time of vigorously promoting technological progress, pioneering new high-tech industries, and increasing the scientific and technological contents of products, town and township enterprises should improve management and achieve the basic work concerning enterprise management in a down-to-earth manner. With a flexible managerial mechanism, as well as advanced scientific, technological, management methods, town and township enterprises will be able to have redoubled might and stronger competitiveness.

Chen Junsheng also urged: The town and township enterprises where conditions permit should further create foreign exchange through exports. It is necessary to reasonably arrange and properly concentrate the development of town and township enterprises, to build a number of new-type small towns with local special features and reasonably distributed town and township enterprises. It is necessary to persistently operate rural industrial enterprises to support and build agricultural production. At the time of promoting the construction of the material civilization, we should make greater contributions to the construction of the spiritual civilization.

#### Ministry Selects Most Efficient Enterprises

SK1611124394 Beijing XINHUA Domestic Service  
in Chinese 1830 GMT 13 Nov 94

[By reporters Wang Yanbin (3769 6056 1755) and Liu Jian (0491 0256)]

[FBIS Translated Text] Beijing, 13 Nov (XINHUA)—Based on efficiency instead of on output value, the Ministry of Agriculture has for the first time selected, through public assessment, 1,000 township and town enterprises with the best economic efficiency throughout the country in line with the new assessment system.

The township and town enterprises ranking from first to 10th places in terms of comprehensive economic efficiency include: Guangdong Kelong Electrical Appliance Stock Company, Tianjin Yaoshun (Group) Company, Guangdong Meide Group Company Ltd., Mingzhu General Company in Muping County of Shandong's Yantai City, Shandong Qinghe Group, Jiangsu Huaxi Group Company, Tianjin Jinmei Group Company, Tianjin Jinhai Group Company, Tianjin Wanquan Group Company, and Shandong Wantongda General Company of Enterprise Groups.

The data used by the current assessment are based on the 1993 final accounts and statistical reports on financial affairs of the enterprises. The enterprises participating in the assessment are basically required to achieve 30 million yuan or more in sales income and 3 million yuan or more in the total amount of profits tax. With regard to the assessment targets system, the international practice has been applied, and the relevant state assessment and assessment targets on economic efficiency of enterprises have been used as reference, in combination with the targets system formulated by the Ministry of Agriculture to assess and evaluate the economic efficiency of township and town industrial enterprises, thus having completely manifested the economic efficiency of enterprises. This system of targets include two absolute targets—the target of sales income and the target of total volume of profits tax—and seven relative targets—the targets of marketing rate of products, the profit- and tax-yielding rate of marketing, the profit rate of the cost, the profit- and tax-yielding rate of the capital, the turnover frequency of floating funds, labor productivity, and the rate of added value. This assessment activity was handled by means of computers in line with the set procedures of assessment, and the enterprises ranking first to 1,000th have been put in order by using computers to calculate the composite index of enterprises' economic efficiency.

These 1,000 township and town enterprises are concentratively distributed in the eastern areas. Of them, 322 enterprises are located in Jiangsu, 153 in Shandong, 121 in Zhejiang, and 109 in Guangdong. When viewed from areas, 873 are in the east, 93 in the center, and 34 in the west. When viewed from the organizational forms of these enterprises, 337 are enterprise groups, 162 are general corporations, 50 are Chinese-foreign joint venture (cooperative) enterprises, 22 are enterprises operated in cooperation with state-owned enterprises, and 429 are other enterprises as independent legal entities. When viewed from trades and major businesses, 934 are engaged in industry, 48 in construction trade, three in

communications and transportation trade, 14 in commerce, and one in service trade. A total of 57 enterprises have been granted the power to deal in import and export.

**'Pilot Cities' Pioneer Enterprise, Welfare Reform**  
*HK1711115494 Beijing CHINA DAILY in English*  
16 Nov 94 p 1

[By Sun Shangwu: "Pilot Cities Successful in Economic Overhaul"]

[FBIS Transcribed Text] Eighteen cities selected to pioneer comprehensive economic reforms have made headway in property rights reform, setting up a social security system and developing a market economy.

They have achieved initial success in the overall reform and development, said the State Commission for Restructuring the Economic System (SCRES), China's leading reform body.

The commission chose the cities, including Wuhan, Chengdu, Anshan, Xian, Tianjin and Guangzhou, at the start of the year to act as models for establishing a modern enterprise system.

These cities were encouraged to seek the best ways of improving economic efficiency of enterprises in the market.

Wuhan, capital of Hubei Province, has witnessed some particularly encouraging results.

It set up 180 shareholding enterprises in the first half of this year. A local government investigation found that 70 percent of the enterprises have profits climbing at more than 26 percent.

Meanwhile, the industrial city is trying to lure foreign capital for the renovation of old state-owned enterprises.

The local government approved 504 foreign-funded enterprises in the first half of this year and more than 100 of them were involved in renovating old state firms.

SCRES said the pilot cities have also seen positive results in capital, labour land and technology markets.

Chengdu, capital of Sichuan Province, has set up 123 labour markets and 121 labour service bodies, which have helped 60,000 people find new jobs; the city's unemployment rate has fallen to less than 2 percent.

Xian, capital of Shaanxi Province, set up 20 technology markets and now is preparing to establish the appraisal centre of invisible capital and the technology trade centre.

Establishing an effective social security system now has been put on the top of the municipal governments' reform agenda.

The state is focusing on setting up an old-age pension for workers, unemployment insurance and health care insurance, SCRES said.

In Anshan, Liaoning Province, about 95 percent of state firms, 80 percent of collectively-owned firms and 76 percent of the foreign-funded firms are covered by the old-age pension.

**Commentary Outlines GATT Re-entry Talks**

*HK1711080894 Beijing LIAOWANG in Chinese 7*  
Nov 94 pp 14-17

[Article by staff reporter Li Dibin (2621 6611 2430): "Long and Tortuous Road of 'Re-entering GATT'—Roundup of Eight-Year Course of China's Application To Re-enter GATT"]

[FBIS Translated Text] Editor's note: In July 1986, the Chinese government submitted an application to then GATT Director General Arthur Dunkel, demanding that its signatory status be restored. For more than eight years since then, China has followed the path toward its objective. On 1 January next year, GATT will be replaced by the World Trade Organization. Whether China will be granted its wish to re-enter GATT by the end of the year and become a founder of the new body is the focus of world attention. China and the United States are holding talks on this matter.

The time when the new year will be rung in is two months away. Will China be admitted into GATT? What are the prospects for the talks? Where does the shoe pinch? This article will give you the latest information. [end editor's note]

On 11 October, the latest Sino-U.S. talks on restoring China's signatory status in GATT ended in discord because the two sides failed to iron out their differences.

U.S. Deputy Trade Representative Charlene Barshefsky said at a meeting in Beijing with Shi Guangsheng, vice minister of foreign trade and economic cooperation, that restoring China's position in GATT is in the interests of China, the United States, and the rest of the world. The United States is willing to coordinate with other GATT signatories to clear the way for restoring China's signatory status to GATT as soon as possible. She demanded, however, that China make greater efforts to protect intellectual property rights and open its market. She also said: "We must adopt a flexible attitude," adding: "We insist that China adopt the same flexible attitude."

Her attitude of refusing to yield an inch, and even reaching out for a yard after taking an inch in a bid to gain as much profit as possible before a deal is made, is common in trade talks.

Giving tit for tat, Shi pointed out when the talks were over: The present deadlock is due precisely to a lack of

flexibility on the U.S. part. He reiterated that China would not barter away its social and economic stability for GATT membership.

**In July, the height of summer, a senior official of the Ministry of Foreign Trade and Economic Cooperation said with curt finality: China will never try to re-enter GATT at any cost!**

On 19 July, the day before the 18th session of the China GATT Working Group, which was considered the last round of the talks, Foreign Trade and Economic Cooperation Minister Wu Yi—who is steady, capable, and experienced—told visiting U.S. Deputy Commerce Secretary David J. Barram: "China will never try to re-enter GATT at any cost by bartering away basic national interests. We hope the United States will adopt a practical approach to the issue."

Wu made this remark exactly eight years after China applied for restoring its position in GATT. So she continued: "If China is not granted its wish to re-enter GATT, all its efforts in the eight years of talks will be lost, and all its commitments will be invalid!"

On 27 July, Miao Fuchun, spokesman for the Ministry of Foreign Trade and Economic Cooperation, reiterated at a press briefing: If China fails to re-enter GATT, all its commitments will be of no avail.

Foreign news agencies reported and commented on China's firm and principled position, each making different responses; while some made conjectures, some expressed appreciation, and some were surprised, while others were confused.

The direct factor behind China's decision to clearly announce this stand was the unofficial document based on the U.S. suggestion tabled at the 17th session of the China GATT Working Group. This document set up harsh terms totally unacceptable to China. As the document mainly represents U.S. interests, so it can be called a "U.S. document."

The key point of the "U.S. document" is that China should re-enter GATT as a "developed country." As is known to all, GATT has formulated a series of regulations helping developing countries maintain economic stability and promote economic development. By standing against China's re-entering GATT as a developing country, the United States, in fact, is depriving China of the rights stipulated by GATT, while requiring it to undertake all the commitments stipulated by GATT. This is clearly unacceptable to China.

As a developing country, China can carry out only those commitments commensurate with its economic capacity. China adheres to the principle that attaches equal importance to rights and commitments.

**Japan, Canada, and the EC countries have expressed clear support for China in its efforts to re-enter GATT; only the**

**United States has set up obstacles everywhere. The United States has become a "stumbling block" to China's GATT re-entry.**

In its efforts to restore its GATT signatory status, China has won support from most developing countries in the world, as well as from many Western countries.

In early September this year, trade ministers from the EC, Canada, Japan, and the United States held a meeting in Los Angeles. While ministers of the EC, Canada, and Japan clearly expressed their support for restoring China's GATT status, the United States maintained that "China has some way to go to meet the requirements," indicating that China's GATT membership must be discussed at a certain time next year.

Why did the United States try so hard to prevent China's joining GATT? Its ultimate aim is to obtain, through the negotiations on China's GATT membership, the greatest possible commercial interest from China, thus enabling U.S. enterprises to occupy the China market—which is a most attractive one—without resistance, while denying China's industry—which is in its infancy—an opportunity to grow. Therefore, the United States insisted that China join GATT as a developed country, and that from the date it is admitted into GATT, China abolish all nontariff measures, including import inspection, license requirements, and the quota approval system, as well as open its banking, insurance, aviation, farm produce, and tertiary industry markets. Some terms were even harsher than for developed countries. For instance, the United States insisted that as soon as the protocol on China's GATT re-entry is signed, China must immediately cancel its demand for the localization rate made on foreign-funded enterprises. In this way the United States ignored the package document adopted by the Uruguay Round which provides for a transition period for contracting parties; for developed countries the transitional period lasts two years.

If China were to act accordingly, it would be difficult for it to decide its own economic destiny, and even its own political destiny. In an interview with a reporter from the ASIA WEEKLY, Wang Tianming, commercial counselor of the Chinese Embassy in the United States, pointed out clearly: "The United States has always tried to affect China in every possible way. The issue of China's GATT membership is the latest means by which the United States is trying to exert influence on China."

Long Yongtu, assistant minister of foreign trade and economic cooperation and head of the Chinese delegation for talks on restoring China's status as a GATT contracting party, said bluntly: "Whether China can re-enter GATT within 1994 depends on the United States' political desire."

The United States clearly displayed its position at the 10th Sino-U.S. talks on the restoration of China's GATT signatory status which ended 23 September. During the talks, the U.S. side was concerned mainly about its own

commercial interest, and took a passive attitude toward the specific terms of the protocol regarding China's GATT re-entry. A GATT official said that the United States will not decide whether or not it will allow China to re-enter GATT until it has seen the "color of its money."

Before the talks on the protocol on China's GATT re-entry, China and the United States held weeklong talks on tariff and nontariff problems concerning industrial and agricultural products, and on the package program for market access tabled by the Chinese side. During the talks on the protocol, however, in a bid to gain more commercial interests, the U.S. side tried to add to the agenda issues that were not settled during the market access talks. Only after the attempt was resolutely rejected by the Chinese side could the talks on the protocol continue.

During the scores of meetings over the last eight years on China's GATT re-entry, China has patiently answered and provided explanations concerning more than 4,500 questions raised by the United States and other countries, including questions repeatedly raised. The time spent on the examination and the range covered by the questions can find no parallel in the history of GATT.

Why has China pressed ahead with the application in the face of formidable obstacles?

How will China benefit from re-entering GATT? This is a matter of the greatest concern to Chinese at home and abroad. Before answering this question, it is necessary to understand what institution GATT is.

GATT is a multilateral treaty signed in Geneva on 30 October 1947 by 23 countries. The treaty was designed to regulate the contracting parties' rights and commitments with respect to international trade. Up to now, a total of 115 countries and regions have joined the treaty. The contracting parties grant preferential tariffs to each other. For developed countries, the general level of reciprocal tariffs is 3 to 5 percent, while for developing countries it is no more than 15 percent. This treaty has played an important role in promoting world trade. Currently, over 90 percent of the world's total trade volume was registered between GATT members. Since the 1970's, in a period that has witnessed a new industrial revolution and the end of the Cold War, the world economy has been moving toward globalization. The World Trade Organization, which is to replace GATT, undoubtedly will play a role as an "Economic United Nations." To be excluded from the World Trade Organization means to be excluded from the world multilateral trade system.

Again, through 15 years of reform and opening up, China's economic development has become more and more closely related to the economic development in other parts of the world. China's export volume has accounted for over 20 percent of its GNP. From 1980 to 1992, China's export volume increased at an average

annual rate of 13 percent, much higher than its economic growth rate for the same period. In 1993, China's export volume ranked 11th among other major export countries and regions in the world, up from 15th in 1990. If the EC is treated as a whole, China would be the sixth largest trading state in the world. If China is set to join other countries in the world and take part in international competition and division of labor, it must have its economy converge with the world economy. The best way to achieve this is to join GATT. In specific, given GATT membership, China would be able to stabilize its markets abroad and to open up new markets. In addition, China also would be able to counter the discriminatory trade sanctions imposed against it by Western countries through internal legislation, so that the sanctions would be called off by the countries themselves.

Another reason for China's trying to join GATT by the end of the year is that GATT is to be replaced by the World Trade Organization next year. If China were to attain this goal, it naturally would become a founder of the world trade body.

China has adopted a positive, earnest, and practical attitude toward its application for re-entering GATT. Over the last eight years, China has made reforms in the foreign trade management system, adopted a single exchange rate, established foreign exchange markets, reduced import duties, introduced a unified tax system, and promulgated a series of foreign trade laws and laws protecting intellectual property rights. China's earnest and practical attitude has been appreciated by many countries, including the EC.

There are always some people in the world trying to create difficulties for China and hoping that China will not re-enter GATT. However, at a time when economies in various parts of the world are merging, can the World Trade Organization be worthy of the name if China—with a population constituting one fifth of the world's total and a booming economy—is excluded?

Former Singaporean Prime Minister Lee Kuan-yew said at the recently held third European-East Asia economic summit: "For the sake of global stability and security, it is not only a matter of choice, but also a necessity to enable China to join the international community."

A Japanese expert on China pointed out: "It is impractical to exclude from GATT a China having an economy on an enormous scale. In addition, allowing China to join GATT serves not only as a 'guarantee of security' for GATT, but also as a powerful measure applied from outside to help China's market economy to achieve a 'soft landing.'"

At the annual joint meeting of the International Monetary Fund and the World Bank held on 4 October, Chinese Vice Premier Zhu Rongji drove home the relationship between China's economy and that of the world, saying: "China cannot develop its economy in the

absence of the world economy. China's economic growth and prosperity is in the interests of the world, as well as of China."

"China needs GATT, and vice versa," said Chinese Premier Li Peng in stating the relationship between China and GATT.

What are the prospects for China's restoring its GATT signatory status?

According to the U.S. COMMERCIAL DAILY, U.S. Deputy Trade Representative Barshefsky said at a luncheon 17 October that if China does not make substantial commitments with regard to the solution of a number of crucial problems, the United States will not make a political gesture to allow China preferential treatment.

Long Yongtu, Chinese assistant minister of foreign trade and economic relation, said in his speech at the Pacific Rim Forum, which opened in Beijing on 26 October, that the situation in the talks on China's GATT re-entry can be described in an old Chinese saying: "Everything needed is well-prepared, except the east wind." The "east wind" is nothing less than the political sincerity of the major trading state across the Pacific Ocean.

The two sides are still locked in a battle of words, and neither side is making concessions.

What will be the ultimate result of the talks? There are only three possibilities.

The talks will be rounded off to the solid satisfaction of both sides.

The talks will break down, and accordingly China will withdraw its application.

Either side will make concessions, and China will be admitted into GATT on the condition that it enjoys only some rights (with restrictions attached to the others) stipulated by GATT.

**This reporter believes that the third result is likely.**

The present situation shows that the prospects for China's GATT re-entry are shrouded in thick mist, but the possibility that the sun will suddenly penetrate the mist cannot be ruled out.

In fact, the hard ice is about to break loose.

According to a report, during the 10th round of the bilateral talks on restoring China's GATT signatory status which ended on 23 September, the two sides basically reached agreement on a quarter of the articles of the China protocol, and had little problem in reaching agreement on two quarters of them.

U.S. Ambassador to China J. Stapleton Roy said at a 14 October scholars' forum on the prospects for Sino-U.S. relations that the United States sincerely supports China in its efforts to re-enter GATT. The two sides can settle

their differences in a practical way by, for example, breaking the preferential GATT articles down into several hundreds, and then analyzing them one by one to see whether they can apply to a particular developing country.

Barshefsky also told Wu Yi recently: The problem concerning China as a founder can be solved. Regarding the timing for China's joining GATT, she said that "China is likely to join GATT before Taiwan joins the World Trade Organization."

The general comment made by GATT Director General Peter Sutherland on the recent Sino-U.S. talks on China's GATT status is: "During the last few weeks, the two sides have conducted constructive talks, and the prospects are not going from bad to worse."

Asia is rising, and so is China. China's active participation is not something dispensable to the economy of Western countries. If China is cornered and forced to cancel all its commitments, it will be a severe blow to the Western economy. Trade is not the basis on which China was founded. With a vast territory and rich natural resources, China will live on as it has, without GATT membership, though it may grow at a slower pace, at most.

It is very hard to say now whether China can join GATT by the end of the year, but the following events merit special attention:

1. The United States will conduct mid-term elections in November.
2. U.S. Trade Representative Mickey Kantor is due to visit China in early November.
3. The Asia-Pacific Economic Cooperation forum will hold a summit meeting in Indonesia on 15 November, during which Chinese President Jiang Zemin will meet with U.S. President Bill Clinton.
4. The last round of Sino-U.S. market access talks is about to open.
5. Chinese Vice Premier Li Lanqing will visit the United States in mid November.
6. The formal establishment of the World Trade Organization may possibly be postponed.

These factors will have a great impact on China's GATT membership.

Some people overseas have alleged that strategically, if China were to be separated from GATT and go its own way, the United States and the EC would be the losers.

The ringing of the bell signalling the arrival of the new year is two months away. The people are anxiously awaiting the result.

### **XINHUA on Intellectual Property Rights Protection**

*OW1711110994 Beijing XINHUA Domestic Service in Chinese 1405 GMT 10 Nov 94*

[FBIS Translated Text] Beijing, 10 Nov (XINHUA)—The Qingdao Customs Office recently discovered a trademark violation case in a port in Shandong. The customs office then retained, in accordance with law, two containers of illegal cargo that were owned by an import-export company in Anhui and were ready for export. This is one of the cases handled by customs offices since the measures for the protection of the goods of intellectual property rights through strengthening import and export inspections have been put into force since 15 September.

To further improve the system for protecting intellectual property rights and carrying out the international obligations of our government, China's customs authorities have accelerated legislative work with regard to the protection of import and export of the goods concerning intellectual property rights. Meanwhile, before the formal promulgation of relevant laws and regulations, the General Administration of Customs issued a circular stipulating that, beginning 15 September, the customs offices, in accordance with existing relevant laws and regulations of the state, would carry out the measures for the protection of goods concerning intellectual property rights through strengthening import and export inspections and not allowing any goods that violate intellectual property rights (including trademark rights, copyrights, and patent rights) to be imported or exported. Such measures demonstrate that the customs offices have improved their administration to meet the standard of international practice and that the customs authorities have accelerated their construction of the legal system.

Customs offices in various localities, in carrying out the guiding spirit of the circular, began to achieve results in cracking down on the import and export of goods that violate intellectual property rights. In the first 10-day period of October, the Kowloon Customs Office returned a batch of Shankara-brand indigestion pills because the exporter, a company in Shenzhen, was not able to produce a legitimate trademark certificate.

To crack down on the illegal import and export of compact discs, the customs offices have strengthened their import and export inspections. On 1 November, the Kowloon Customs Office discovered that a truck driver of a company tried to smuggle out five boxes of compact discs totaling 3,250 pieces. In another case which occurred earlier, the customs office, in its key-point inspection, discovered that six boxes of compact discs totalling 4,750 pieces were smuggled out through an express exit under the disguise of "information handbooks." The Kowloon Customs Office confiscated these two batches of goods and punished relevant people in accordance with law.

To study and absorb the experiences of the customs offices in other countries, the General Administration of

Customs and the World Customs Organization held a forum in Qingdao not long ago to discuss the protection of the goods concerning intellectual property rights through strengthening import and export inspections. Attendees at the meeting held that China's customs authorities have made good progress in a short period of time in the formulation of laws concerning the protection of the import and export of the goods concerning intellectual property rights and that they have achieved results in strengthening the work of cracking down on the import and export of illegal goods in accordance with existing laws and regulations. These attendees also believed that all of these facts have shown that the Chinese Government is sincere and that Chinese customs offices have an ability to protect intellectual property rights through strengthening import and export inspections.

### **Ordinance Details Rewards, Penalties for Managers**

*HK1611145794 Beijing ZHONGGUO XINWEN SHE in English 1332 GMT 16 Nov 94*

[FBIS Transcribed Text] Beijing, November 16 (CNS)—"The Ordinance of Rewards and Penalties to Directors and Managers in State-owned Enterprises" has been jointly issued recently by the State Economic and Trade Commission, the State Commission for Restructuring the Economy and the Ministry of Labour. The Ordinance requires that rewards and penalties should be implemented and administered by various levels.

According to the stipulation, rewards to directors or managers can be divided into honorable awards and material awards and the two awards can be carried out together or separately. Honorable awards are conferred to outstanding entrepreneurs and model workers while material awards include raise of salary or a lump sum.

The penalties to directors or managers, according to the Ordinance, include executive discipline and economic punishment which can be put into effect jointly or separately. The former includes demotion, dismissal and being fired while the later covers bonus suspension and salary reduction. If one commits violation against the law, he or she will be prosecuted and punished according to law. At the same time, executive discipline and economic punishment can be carried out. Penalties can be applied to directors or managers at any time if great error has occurred which has resulted in serious losses.

### **Beijing To Boost 'Administration' of Income Tax**

*HK1611140994 Beijing ZHONGGUO XINWEN SHE in English 1230 GMT 16 Nov 94*

[FBIS Transcribed Text] Beijing, November 16 (CNS)—Taxation department will soon adopt a number of major measures to boost administration of taxation on individual earnings according to instructions given by the Central Committee of Communist Party of China and the State Council.

The new measures are aimed at overcoming faults found with taxation regulations at present for personal income. The unsound administration of taxation is so backward that income tax evasion committed by individuals is rather serious. Coordination between various departments concerned during the taxation process does not work properly.

Measures soon to be implemented cover improvement of laws and regulations for administration of taxation and for punishment on tax evasion. Work has to be strengthened on tax deduction and payment on commission and on tax returns for imposition of individual income tax. Tax evasion will be seriously dealt with by means of special inspection on personal income tax. Taxes evaded have to be recovered and tax dodging be hit. Supplementary measures will also be adopted and financial institutions should check as soon as possible accounts opened either by business entities or individuals in a bid to ensure identity of account holders with their respective taxation numbers. Such practice is for easy supervision by the financial department and for imposition of income tax by taxation department.

The middle and long term measures are aimed at speeding up realization of identity of tax payers with names used for their various accounts. Utilization of credit card and personal cheques will be encouraged in order to avoid possible violation of law in cash payment.

#### Statistics Bureau Economist on Reasons for Inflation

HK1711014594 Beijing LIAOWANG No 44 in Chinese 31 Oct 94 p 14

[By Qiu Xiaohua (6726 2556 5478), chief economist and senior statistician of the State Statistics Bureau: "There Are 'Cost' As Well As 'Price' Factors in Inflation"]

[FBIS Translated Text] A few days ago I told a news conference I attended on behalf of the State Statistics Bureau that the "most outstanding problem in this year's economic life are sustained price hikes." Here I would like to expand a little on a few causes of inflation:

1. China's economy has been growing rapidly for three consecutive years. And rapid economic growth and high inflation rates have always been "twin brothers." The problem of inflation in China should not be compared simplistically with the United States. The American economy is strong. When its economy is growing at rates higher than 2 to 3 percent, the government should be alert. China is a developing country, and its base price index is low. After three consecutive years of double-digit economic growth, it is hard to avoid price hikes.

2. Reforms in our country have taken a great step this year. All across the world tax reforms have proved a thorny issue for governments. The "poll tax" attempted by the British Government led to the downfall of Prime Minister Thatcher. Japanese politics was rocked by the introduction of a "consumption tax." On the other hand,

China enjoyed a basically stable time in carrying out its tax reforms. This was not easy. Foreign exchange rates were successfully unified and reform of the foreign exchange system increased China's foreign exchange reserves by over 10 billion yuan, greatly boosting the state's macroregulatory and control power and helping us solve various problems we may encounter on our way forward.

3. The speed at which China is converging with the world economy is increasing. Rising exports will have an impact on effective domestic supply, while reform of the foreign exchange system will increase the supply of renminbi. The entry of foreign commodities into the Chinese market means that prices of Chinese market commodities must be subject to the influence of international price parities.

We must analyze coolly this year's high inflation rates. Part of the price hikes can be seen as the "cost" we pay for reforms and the "price" of opening up. We must understand this or we will waver in our determination for deepening reforms and expanding opening up. On the other hand, there are irrational elements in the price hikes. These we must do our best to conquer and we cannot grow complacent about them.

#### Statistics Show Efficiency Rising, Inflation Slowing

OW1711094594 Beijing XINHUA in English 0934 GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—China's overall economy maintained a steady improvement last month, with industrial economic efficiency increasing and inflation slowing down.

The State Statistics Bureau revealed today that the nation's industrial value totaled 142.6 billion yuan in October, up 24.3 percent from the same month last year.

State-owned industry registered its biggest growth ever this year, with incremental value rising 11.3 percent from the same month of last year. The figure was also 5.5 percentage points higher than that in the first three quarters of this year.

The bureau said that, in tandem with the domestic market maintaining its prosperity, the sales rate of industrial products rose 1.7 percentage points to 95.64 percent in October.

The number of loss-making firms fell by 2.9 percentage points from the end of June this year, the bureau announced, without giving exact figures.

In the first nine months of this year, the index of industrial economic efficiency climbed by 0.58 percentage point to 96.92.

Retail sales in October jumped by 37.4 percent to 144.4 billion yuan, the largest monthly rise so far this year.

The bureau also indicated that, while inflation was still high, its pace slowed down in October.

Nationwide, the consumer price index was 27.7 percent up in October on a year-on-year basis—some 1.7 percent higher than in September.

For a chosen group of 35 major cities, the index rose by 24.8 percent from the same month of last year and was one percent higher than in September.

In addition, the nation continued to enjoy a favorable status in foreign trade, registering a surplus of one billion U.S. dollars in October.

During the month exports totaled 10.4 billion U.S. dollars-worth, and imports were worth 9.4 billion U.S. dollars.

In the first ten months of this year cumulative exports increased by 29.7 percent to 89.86 billion U.S. dollars-worth while cumulative imports rose by 14.5 percent to 87.45 billion U.S. dollars-worth. The balance was 2.41 billion U.S. dollars-worth in China's favor.

#### Statistics Bureau: Fixed-Asset Investments Decline

OW1711110194 Beijing XINHUA in English 0727 GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—Fixed-asset investment in China registered a 40.4 percent increase in the first ten months of this year, compared with the same period last year, the State Statistics Bureau said today.

According to the bureau, total fixed-asset investment by the state-owned sector was 674.9 billion yuan during the period.

By the end of October the number of newly-started projects this year was 36,768, a drop of 3,865 from the same period of last year.

Contributing to the improvement were mainly projects approved by local governments, which involved a total investment of 355.5 billion yuan, an increase of 40.8 percent. The growth rate was 27.4 percentage points lower than in the same period of last year.

Meanwhile, the bureau said, the state poured more funds into the infrastructure sector. Investment in the energy industry went up 55 percent to 135.6 billion yuan, and investment in transportation and telecommunications rose 34.1 percent to 115.1 billion yuan.

#### More Foreign Funds Absorbed in 3d Quarter

OW1711064794 Beijing XINHUA in English 0624 GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—China used a total of 22.67 billion U.S. dollars

in foreign investment in the third quarter of this year, a hefty 50.4 percent rise from the same period of last year, according to a latest report.

The report shows that the pattern of foreign investment has undergone a great change since the beginning of the year. Investment in real estate, public utilities, consultation and information service dropped slightly.

According to the report, foreign-funded joint ventures in real estate, infrastructure and information service built in the first half of this year only accounted for 12.3 percent of the total registered foreign-financed ventures in the country, a drop of four percentage points from the same period of last year.

#### Domestic Savings Become Important Source of Capital

HK1711103294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0854 GMT 1 Nov 94

[FBIS Translated Text] Beijing, 1 Nov (ZHONGGUO TONGXUN SHE)—At present, the money in the hands of mainland China's residents is becoming a source of capital for economic development. Of the state's credit receipts and payments in 1993, savings deposits both in towns and the countryside made up 55.7 percent of all kinds of deposits and 37.8 percent of the capital sources. If valuable securities and shares are included, this percentage is even higher.

Sources from the National Information Center disclose that since reform and opening up, mainland residents' incomes have been increasing at a high speed. From 1978 to 1992, the cash income of residents grew by an average of 17.9 percent annually, which was 3.3 percentage points higher than the GNP growth rate during the same period. The proportion of residents' cash income in GNP rose from 45.2 percent in 1978 to 67.4 percent in 1992. Obviously, this income, which makes up about two-thirds of GNP, has become the indisputable main body of social funds.

At the same time, total monetary expenditure has also grown steadily. In 1992, total monetary expenditure was 1.41984 trillion yuan, which was 830 percent higher than in 1978. The average annual growth rate from 1978 to 1992 was 16.3 percent, and a trend of steady and high-speed development was maintained. The proportion of monetary expenditure to GNP grew from 40 percent in 1978 to 59.1 percent in 1992. From this we can see that over the past 10 years or so, the degree of monetization has increased to a certain extent.

There has also been a trend of high-rate growth in residents' surplus purchasing power. In 1978, it was only 38.44 billion yuan, about 10.7 percent of GNP in that year. But in the 14 years from 1978 to 1992 this surplus purchasing power grew on average by 29.9 percent each year. Of this, residents' savings deposit grew at an average annual rate of 33.1 percent or so, and cash in

hand grew by 23.8 percent, both higher than the growth residents' cash income in the same period.

Of the various deposits, residents' savings in both town and countryside make up more than 50 percent. They have become a major source of state credit funds.

Since the issuance of treasury bonds in 1982, with the change of the economic structure onto a new track and the strengthening of the residents' monetary sense, the number of valuable securities held by residents has increased rapidly. According to calculation by a relevant department, the amount grew by 60 percent annually from 1982 to 1991. Growing from scratch, the proportion of valuable securities in residents' monetary capital reached 10 percent in 1991. They have begun to form an important part of residents' monetary capital.

#### **World Bank Funds Research on Clean Production**

*HK1711062494 Beijing CHINA DAILY in English  
17 Nov 94 p 1*

[By Zhu Baoxia: "WB Backs Expansion of Clean Production"]

[FBIS Transcribed Text] The World Bank has pledged to continue helping China in its research on policies to expand clean production.

Clean production uses environment friendly energy, materials and techniques to produce goods, thereby reducing industrial pollution.

The World Bank has lent China \$6 million for a four-year pilot programme (1993-96) in 29 enterprises in Beijing and Zhejiang, Anhui and Jiangsu provinces.

If successful, the programme will be expanded, World Bank senior project officer Nickles Anderson said.

The United Nations Environment Programme (UNEP) has joined the project by providing experts to help train Chinese technicians and to spread the concept of clean production, Unep officer John Kryger said.

The two officials are in Beijing to attend the International Workshop on Waste Minimization in China's Township Industrial Enterprises.

The two-day workshop, sponsored by the World Bank and the National Environmental Protection Agency (NEPA), has drawn 60 environmental specialists from international organizations and from provinces across the country.

Participants are discussing industrial pollution control by enforcing clean production, a strategy to "minimize industrial pollution with the least investment," Nepa deputy director Zhang Kunmin said.

The workshop will also evaluate on another World Bank-supported project on pollution control in township enterprises.

The project, which started at the end of 1990, involved rural industrial units in Qingdao and Yantai in Shandong Province, and Wuxi and Wujin counties in Jiangsu Province.

About 6 million yuan (\$700,000) was invested in the project by local governments concerned and the World Bank.

As result, the amount of pollutants discharged by the pilot enterprises has been reduced by 30 percent.

China now has 18 million township and village industrial enterprises employing more than 93 million people.

#### **Yangtze Diversion Aims at Drought in North**

*HK1711062294 Beijing CHINA DAILY in English  
17 Nov 94 p 1*

[By Cao Min: "Yangtze Diversion Rolls Toward Launch Date"]

[FBIS Transcribed Text] Preliminary work is accelerating atop the 3,000-metre-high Qinghai-Tibet Plateau for water diversion efforts which should supply the Northwest with 20 billion cubic metres of water annually by the year 2010.

The plan, part of the national South-North Water Diversion Project, will transfer much-needed water from the upper reaches of the Yangtze River to the Yellow River. (See map)

Vice-Premiers Zhu Rongji and Zou Jiahua have urged relevant departments to pay close attention to the preparatory work, according to Tang Yingwu, chief engineer for designing the project.

The diversion is vitally important to national plans to relieve North and Northwest China of a persistent drought, Tang said in an interview yesterday.

Since 1987, the State Planning Commission and the Ministry of Water Resources have organized a staff of more than 1,000 to work out a series of feasibility studies.

They have surveyed the Yangtze River's three tributaries on the Qinghai-Tibet Plateau—the Yalong Tongtian and Dadu rivers—making an aerial photo-survey across 60,000 square kilometres and a topographic map covering 50,000 square kilometres.

The survey also included a tectonic study of more than 390,000 square metres and an geological study across an area of 20,000 square kilometres, according to Tang.

Uneven geographical distribution of water resources has become a main obstacle to economic development, especially, in the North and Northwest.

More than 80 percent of China's water resources is found south of the Yangtze River, where just 35.9 percent of the total arable land is located.

As the economy continues to develop and the population increases, water shortages will become more acute, especially, in areas around the Yellow River, which now holds only 2 percent of the total river runoff.

"The essential solution to the problem is to transfer about 5 percent of water in the Yangtze River to the Yellow River," Tang said.

The research reports show that the South-North Water Diversion programme will consist of three separate projects: The western channel, the middle channel and the east channel. The middle channel, which passes through the Funiu and Taihang mountains, will divert water from the middle reaches of the Yangtze to North China's Huang-Huai-Hai Plains. The east channel will draw water from the lower reaches of the Yangtze and guide it north along the Grand Canal to the Tianjin-Beijing area.

"Construction of the west channel project is scheduled to start in 2000 and its first-phase will be completed by 2010," Tang said.

It will produce huge economic, social and environmental benefits for Qinghai, Gansu, Ningxia, Inner Mongolia, Shaanxi and Shanxi. Irrigation areas will expand by 2 million hectares and grain production will soar by over 7 million tons a year, Tang added.

#### **Fund Established for Investment in Chemical Sector**

*HK1711090294 Hong Kong EASTERN EXPRESS in English 17 Nov 94 p 27*

[By Beverly Chau]

[FBIS Transcribed Text] MCI Company, the Hong Kong investment arm of China's Ministry of Chemical Industry, has joined China Industries Investment (CII) to launch the first China fund for the chemical sector, MCI's chairman, Zhang Gengxin, said yesterday.

Zhang said the US\$100m (about HK\$780m) five-year fund, due for launching next year, will directly invest 25-40 percent of its capital in about 10 of China's medium or large scale enterprises producing intermediate chemical products such as pesticides and pharmaceuticals. These companies should see annual returns of at least 20 percent.

"We hope by attracting overseas China funds into our fund, the need for capital in the chemical sector can be better satisfied," Zhang said yesterday at a chemical product export fair organised by MCI's parent company China National Chemical Construction Corporation (CNCCC).

CNCCC is an investment vehicle established by the Ministry of Chemical Industry, which has 26 subsidiaries in China and 16 overseas offices. It is now considering about 10 projects in China to be covered in the fund and will invest about US\$10m in each.

"We have talked to a number of European and American merchant banks, and will probably decide our financial advisor and work out the investment portfolio by early next year," Zhang said. He said no decision has yet been made as to whether the fund should be closed-end or openended.

In the last decade, China's chemical sector has attracted US\$8.5bn in foreign funds, which have fallen mainly into the category of investment bank loans, which include those from the World Bank and the Asian Development Bank. Zhang said those funds were still a far cry from the amount needed for the sector. But he said there was huge potential in the domestic market.

#### **Shenzhen Building Transport Link With Hong Kong**

*OW1711080694 Beijing XINHUA in English 0644 GMT 17 Nov 94*

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—Shenzhen, China's first special economic zone, will spend some 11.3 billion yuan building a new direct transportation link with neighboring Hong Kong.

The comprehensive transportation network will link the Shenzhen International Airport to an industrial area in the new territories in Hong Kong.

It will include the 5.4-km Shenzhen Bay Highway Bridge, a 6.7-km railway bridge, a 20-km highway, a port service area and the 40-km Shenzhen-Hong Kong Railway.

The local government will transfer the financial arrangements, construction and operation to the contractors.

As the passage will be connected with the Hong Kong transportation network, issues such as construction standards and length of construction time are to be further discussed with the Hong Kong side.

#### **XINHUA Replaces Item on Huatonghai Steamer**

##### **Original Item**

*OW1711040094 Beijing XINHUA Domestic Service in Chinese 0918 GMT 16 Nov 94*

[By reporter Chu Baoping (2806 0202 1627); Beijing XINHUA Domestic Service in Chinese at 1128 GMT on 16 November transmits a service message replacing the following item]

[FBIS Translated Text] Beijing, 16 Nov (XINHUA)—Since the Ministry of Communications launched the "learn from Huatonghai steamer" campaign last year, 51 advanced ships that follow the example of the Huatonghai steamer have emerged in the China Ocean Shipping (Group) Company. The campaign is now in full swing in the company.

According to a briefing by Chen Zhongbiao, president of the China Ocean Shipping (Group) Company, up to the end of October, 118 vessels had signed agreements with the company on following the example of the Huatonghai steamer, accounting for 21 percent of the company's total ships.

This reporter was informed: Since 1984, the "Huatonghai" steamer, a bulk freighter with a carrying capacity of 65,000 tonnes, has scored a breakthrough in the contracting business. In the past 10 years, the ship has strengthened maintenance, transported 3.56 million tonnes of cargo, sailed safely for 720,000 nautical miles, and created net profits worth \$11.598 million. The vessel has accumulated significant economic and social benefits, and won praise from international ocean shipping circles. Last year, the Ministry of Communications awarded Huatonghai steamer the title "model ship for the construction of two civilizations" and launched the "learn from Huatonghai steamer" campaign.

#### Replacement Item

OW1711040494 Beijing XINHUA Domestic Service  
in Chinese 1128 GMT 16 Nov 94

[By reporter Chu Baoping (2806 0202 1627); Beijing XINHUA Domestic Service in Chinese at 1128 GMT on 16 November carries a service message replacing the referent item with the following]

[Translated Text] Beijing, 16 Nov (XINHUA)—Since the Ministry of Communications launched the "learn from Huatonghai steamer" campaign last year, 51 advanced ships that follow the example of the Huatonghai steamer have emerged in the China Ocean Shipping (Group) Company. The campaign is now in full swing in the company.

In the past 10 years, the "Huatonghai" steamer, a bulk freighter with a carrying capacity of 65,000 tonnes, has transported 3.56 million tonnes of cargo, sailed safely for 720,000 nautical miles, and created net profits worth \$11.598 million. The vessel has accumulated significant economic and social benefits. Last year the Ministry of Communications called on all communications departments to launch the "learn from Huatonghai steamer" campaign.

#### Trade Unions Set Up in Foreign-Funded Hotels

OW1711105994 Beijing XINHUA in English 0811  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—Trade unions have been set up in over 85 percent of China's overseas-funded tourism hotels in a bid to protect the rights and interests of both the workers and their investors, according to a national meeting.

According to the Meeting on Trade Unions of Foreign-Funded Industrial Enterprises in the country's tourism sector, China now has 498 foreign-financed tourism

hotels, accounting for 20 percent of the country's total, with employees reaching 200,000.

The annual gross turnover of these hotels accounted for 48 percent of the country's total, and the total earnings for 76 percent.

According to the meeting, over 90 percent of the foreign-funded hotels in the major tourism cities such as Beijing, Shanghai, Tianjin, Nanjing, Hangzhou, Guangzhou and Xian have set up trade unions.

The trade unions in these hotels have played an important role in coordinating labor relations, according to the meeting.

#### Labor Enterprise Shareholding System Reform Begun

HK1711080694 Beijing RENMIN RIBAO in  
Chinese 11 Nov 94 p 2

[By reporter Wang Yantian (3769 1750 3944): "Four Ministries and Commissions Jointly Issue Document on Approving Experiments in Shareholding Cooperative System Reform in Labor Employment Service Enterprises"]

[FBIS Translated Text] In the last few days, the Ministry of Labor, the State Commission for Restructuring Economy, the State General Administration of Taxation, and the National Administration of State Property jointly promulgated the "Regulations on Labor Employment Service Enterprises Practicing a Shareholding Cooperative System," approving the conducting of shareholding cooperative system reform among 200,000 labor employment service enterprises throughout the country. The first 100 pilot labor employment service enterprises have been chosen. This is a major reform measure adopted by the state to promote the accelerated development of labor employment service enterprises, curb the rate of unemployment, and ensure social stability.

Labor employment service enterprises have the dual task of developing the economy and stabilizing employment, and shoulder the mission of absorbing the superfluous personnel of large and medium-sized state-owned enterprises. In the last 15 years of reform and opening up to the outside world, labor employment service enterprises have found new jobs for a total of 21 million staff members and workers, of whom 4 million were superfluous personnel, constituting one-fifth of the nation's total number of staff members and workers given job placement. Therefore, the state all along has followed the development of labor employment service enterprises with great interest, worked out a development plan for them, and promulgated a series of preferential development policies. The current joint document is designed to standardize and deepen the reform of labor employment service enterprises, enhance their capability to develop

themselves, and augment their economic strength so as to enable them to undertake a heavier job placement task.

The document currently issued makes stipulations in such areas as the "setup of enterprises," "relationship of property rights," "composition of shares," and "management structure" in light of the characteristics of labor employment service enterprises, and by proceeding from the establishment of a modern enterprise system and a new mechanism commensurate with the development of a market economy.

#### **Cars Marketed in Department Store '1st Time'**

OW1711123994 Beijing XINHUA in English 0807  
GMT 17 Nov 94

[FBIS Transcribed Text] Nanjing, November 17 (XINHUA)—A row of brand-new cars, Santanas, Xialis and others, are on display in a showroom at the central department store in this capital of east China's Jiangsu Province.

It's the first time that cars have been marketed in a department store in China—although bicycles and motorcycles have.

Hu Xiaojun, general manager of the store, told XINHUA that the cars are targeted at both individuals and families.

Crowds of shoppers gathered around, asking about the prices and performance of the automobiles.

However, no one was seen to pay on the spot to purchase a sedan.

Ge Yaping, who manages a private art gallery, said he wanted to own a car.

"It would be helpful for doing business, and convenient to go to other cities or to travel with my family," Ge said.

He said would buy a Xiali once he earned enough money.

#### **Agricultural Bank Urged To Step Up Credit Management**

OW1711101394 Beijing XINHUA in English 0941  
GMT 17 Nov 94

[FBIS Transcribed Text] Hangzhou, November 17 (XINHUA)—The Agricultural Bank of China (ABC) must beef up its credit management in line with rules governing state-owned commercial banks now that a policy bank—the Agricultural Development Bank of China—has been set up.

This was urged at a forum on credit management of agricultural banks, which ended here Wednesday [16 November].

Forum attendants agreed that the establishment of the policy bank has brought changes to the ABC in such

areas as credit environment, credit targets, credit objectives and credit requirements.

They said that the handling of credit, the main business of commercial banks, should be enhanced along with the deepening of China's financial reform.

According to them, the major problems facing the management of agricultural bank credits include insufficient bank loans to regions, sectors, enterprises and projects that boast immediate, low-risk and high cost-effectiveness; immobility of bank loans, bank loans lying idle, mounting uncollected loan interest and giving loans to unqualified enterprises.

The existence of the problems indicates that there is room to improve China's financial system and the accompanying operating mechanism, and there is a need to bolster the awareness of running agricultural banks in accordance with the rules governing commercial banks, the participants held.

They said that while it is shifting to operating as a state-owned commercial bank, the ABC must bring the leverage of loan interest into full play so as to improve the industrial, professional and product structures of loan recipients.

The attendants called for the introduction of a system allowing banks to conduct pre-examination and supervision and take prevention measures against defaults before extending loans.

They also recommended the establishment of a loss compensation system against loans with obvious de facto risks.

Other suggestions put forward by the forum representatives covered mobile management of loans, enhancing loan supervision and the implementation of a management responsibility system.

The representatives were told that branches of the agricultural bank nationwide play a significant role in promoting the rural economy, especially the sustainable and accelerated development of rural and township enterprises.

In the past few years agricultural bank loans have been growing by up to 100 billion yuan a year.

#### **Annual World Beer Output Ranks 2d**

OW1611134994 Beijing XINHUA in English 0826  
GMT 16 Nov 94

[FBIS Transcribed Text] Wuhan, November 16 (XINHUA)—China's annual output of 14.5 million tons of beer ranks it second in the world in terms of quantity produced.

Qi Zhidao, president of the China Brewers' Association, predicted that the beer industry in China will have a bright future since the price is low, about one third of the world's average, and the per capita consumption so far is less than half the world's average.

He said that most of the country's breweries with an annual output of over 100,000 tons each all use advanced technology of the world level, producing one ton of beer with only 180 kg of grain.

He said that many provinces, such as east China's Shandong, Zhejiang and Liaoning, are capable of producing more than one million tons of beer each every year.

According to Qi, China is to further expand its production scale. So far, only three percent of the nearly 600 breweries in the country have an annual production capacity of 100,000 tons each, and most of them have a capacity of less than 30,000 tons each.

The world's per capita beer consumption is 22 liters a year. Of this, 145 liters per capita is drunk in Germany, 120 in the United States and only 10 in China.

### East Region

#### Anhui Leaders Inspect Conscription Work

OW1711050694 Hefei Anhui People's Radio  
Network in Mandarin 1100 GMT 12 Nov 94

[From the "Provincial Hookup" program]

[FBIS Translated Text] From 7 to 10 November, leading comrades Lu Rongjing, secretary of the provincial party committee; Yang Duoliang, vice governor; Chen Peisen, political commissar of the provincial military district; and Liu Zhengzong and Wang Jusheng, deputy commanders of the provincial military district, made separate trips to Fuyang Prefecture, Hefei City, and Huangshan City to inspect this year's winter conscription work.

Since this year's winter conscription work commenced, all localities in the province have made a good start and laid a relatively sound foundation for completing Anhui's conscription task by conscientiously implementing the conscription decrees and relevant directives of the State Council and the Central Military Commission; by actively exploring new methods for carrying out conscription work under conditions of socialist market economic development; and by putting in a tremendous amount of efforts in a down-to-earth and effective manner.

On the morning of 10 November, Lu Rongjing, secretary of the provincial party committee who was touring Fuyang Prefecture, made a special trip to the physical examination station for new recruits in (Zhongshi) district where he held cordial conversations with the young recruits and expressed his high expectations of conscription-age youths. He expressed the hope that youths who honorably enlisted for military service would work even harder in military units to win honor for the people of Anhui, and that those who were not recruited should not be disappointed and should study well, work hard, and contribute to Anhui's efforts to promote material and spiritual civilization through their abilities and wisdom.

The first day for new recruits from Anhui city to undergo physical examinations was 10 November. Yang Duoliang, head of the provincial leading group for conscription work and vice governor; Chen Peisen, political commissar of the provincial military district; and Liu Zhengzong and Wang Jusheng, deputy commanders of the provincial military district, listened attentively to a briefing by the Hefei city leading group for conscription work on progress in this year's winter conscription. They made detailed inquiries about various stages of the physical examinations for new recruits. Yang Duoliang and Chen Peisen set demands for completing this year's winter conscription task while ensuring recruitment quality and quotas.

On 7 November, Yang Duoliang and Liu Zhengzong also inspected conscription work in (Tunxi) district and Shexian county in Huangshan city.

#### Reporters Briefed on Anhui's Development

OW1611131494 Hefei ANHUI RIBAO in Chinese  
28 Oct 94 p 1

[Article by staff reporter Liu Xuanwu (0491 6693 2976): "Achieving Rapid Economic Development by all Possible Means—Fu Xishou Gives a Briefing on the Province's Economic Development at a Forum on External Publicity"]

[FBIS Translated Text] At a forum on external publicity jointly convened by RENMIN RIBAO OVERSEAS EDITION and ANHUI RIBAO on the morning of 26 October, Governor Fu Xishou entrusted Song Lingsheng, deputy secretary general of the provincial government, to brief reporters for RENMIN RIBAO OVERSEAS EDITION and some 30 party newspapers from around the country on Anhui's rapid economic development in recent years.

Fu Xishou was quoted as saying: Anhui has developed very well in recent years. In sum, Anhui's economy has entered the fast lane. Reporters at the forum were briefed on five topics.

1. The province has achieved rapid economic development in a volatile economic environment. According to statistics compiled by the State Statistical Bureau, "Industrial growth in southeast coastal areas was markedly faster than in inland regions from January to June. The total industrial output value of Jiangsu, Zhejiang, Anhui, Fujian, Shandong, and Guangdong Provinces accounted for 47 percent of the national figure, and the increase in their output value represented 58.3 percent of the national growth." These statistics once again show that Anhui has one of the fastest rates of economic growth in the country. Of the aforesaid provinces, Anhui is the only inland province.
2. Agriculture has developed amid disaster relief operations, and village and town enterprises have registered rapid growth. The province harvested bumper summer grain and oil-bearing crops this year, and minimized drought-related losses in autumn farming. This year's total grain output is projected at 23 billion kg. By the end of September, village and town enterprises had made 137.4 billion yuan in business revenue, up 85.2 percent from the same period last year.
3. Industrial production has accelerated. Overall economic efficiency has improved significantly, thus fully playing its leading role in promoting rapid economic growth. From January to September, the province's total industrial output value at and above the township level was 88.2 billion yuan, up 28 percent from the same period last year. The growth rate was the fastest in the country. The industrial sales value totaled 81.3 billion yuan, representing a 21.1 percent increase. The increase was the largest in the country.
4. Consistent with rapid economic growth, the province's financial revenue and the incomes of urban and

rural residents have increased noticeably in the past two years. By the end of September, the province's financial revenue had reached 6.57 billion yuan, up 40.2 percent from the same period last year and above the national average. This year's financial revenue is estimated at 9.5 billion yuan.

5. The economy has become noticeably more market-oriented and displays greater vitality in development. From January to September more than 90 percent of the growth in industrial output value was derived from nonstate industrial enterprises. In foreign trade, exports rose by 35.7 percent over last year, and the number of partly or wholly foreign-owned enterprises now exceeds 1,400. Particularly heartening were the breakthroughs in enterprise reform. More than 70 percent of state-owned enterprises have carried out three institutional reforms. Of state and cooperative commercial enterprises, 80 percent have implemented reform aimed at letting people run state-owned enterprises, and at placing public enterprises under private management. Provincewide, 203 enterprises have experimented with the modern enterprise system.

After the news briefing, Wu Chunhe, assistant editor-in-chief for RENMIN RIBAO and editor-in-chief for RENMIN RIBAO OVERSEAS EDITION, assigned the job of publicizing and reporting Anhui's outstanding achievements in reform and opening up to the newspaper's overseas edition special correspondents from across the country.

#### **Fujian Makes Progress in Exporting Agro-Techniques**

OW1411020694 Beijing XINHUA in English 0149  
GMT 14 Nov 94

[FBIS Transcribed Text] Fuzhou, November 14 (XINHUA)—Southeast China's Fujian Province has made rapid progress in exporting agricultural technology.

Located in a sub-tropical area, Fujian abounds in natural resources and has a large contingent of agro-scientists.

Its research findings, in the development of sub-tropical agriculture in particular, have aroused the interest of farmers, scientists and business people in Japan, the United States and Australia.

Meanwhile, Fujian's agricultural departments have opened enterprises and farms with advanced technology to Southeast Asian countries.

One example is the hongping research center of the Fujian Provincial Academy of Agriculture, which has succeeded in setting up a comprehensive agricultural development company in the Philippines with a local company to breed fries, sell fish-raising technology, cultivate flowers and produce animal feed.

#### **Fujian's Rural Towns Expand Output, Cite Figures**

OW1511133494 Beijing XINHUA in English 0922  
GMT 15 Nov 94

[FBIS Transcribed Text] Fuzhou, November 15 (XINHUA)—Some 333 rural towns in east China's Fujian Province generated more than 100 million yuan (about 11.5 million U.S. dollar) each in gross product last year, compared with just 220 such towns in 1992.

Last year's figure was about 35 percent of the province's total number of rural towns.

In 1984 Fujian had only one rural town with an annual gross product reaching 100 million yuan. The number of such rural towns jumped to 69 in 1990, and to 130 in 1991.

Statistics show that the 333 towns, with about 48 percent of the province's rural population, generated 76 percent of the total output value of the province's rural areas last year.

Gushan, on the outskirts of this provincial capital, was the most outstanding of the 333, as it produced some 1.83 billion yuan in gross product and exported 1.15 billion yuan-worth of goods last year.

Economists here said that such towns play a significant role in promoting the province's rural economy.

According to statistics, rural and township enterprises in the 333 towns generated a total of 81.3 billion yuan in output value last year, about 77 percent of the total produced by all of the province's enterprises of this kind.

The export volume of the 333 towns last year reached 16.4 billion yuan-worth, some 83 percent of the total exported by Fujian's rural and township enterprises.

Besides, farmers' average per capita income in the 333 rural towns was 1,753 yuan last year, about 40 percent more than the provincial average.

In seven of the 333 rural towns farmers earned an average of more than 3,000 yuan last year.

#### **Jiangsu Acting Governor Zheng Silin Inspects Cities**

OW1711050794 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 10 Nov 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] Zheng Silin, Jiangsu provincial party committee deputy secretary and acting governor, went to rural areas, factories, enterprises, and construction sites in Huaiyin and Xuzhou Cities from 5 to 10 November, to conduct on-the-spot inspections and surveys, to understand the situations there, and look into problems.

Upon his arrival in Huayin, Zheng Silin first went to Liulaozhuang Township in Huayin County, an old revolutionary base with an underdeveloped economy, where he visited peasants to gain an understanding of the agricultural sector, rural economy, and living conditions. Zheng Silin successively visited eight rural households in (Zhengzhuang) Village. He surveyed their living quarters, granaries, and haystacks, and inquired about their grain harvests, annual incomes, and burdens. When he discovered that local peasants are not well-off, and that some villagers are facing difficulties because of this year's drought, Comrade Zheng Silin exhorted leaders of cities who were present to pay serious attention to the masses' well-being, and find ways to let the masses help themselves by engaging in production.

Comrade Zheng Silin attentively heard reports by Huayin and Xuzhou City party committees and governments, and fully affirmed their work and achievements. He said: Practical work conducted by cadres and masses in Xuzhou and Huayin since the beginning of reform and opening up has brought changes to cities and rural areas, promoted production and construction, and improved the masses' living standards. The resource-rich Huayin and Xuzhou Cities have great potential for development. The key is to closely integrate guidelines of the central and provincial authorities into the realities of localities, and make the most of the cities' assets to promote economic development. Comparatively slower economic development in underdeveloped regions has been caused by historical factors. Comrades, you should not only bestir yourselves and resolve problems with conviction, you should also refrain from being impractical and hasty, from being too eager for quick success and instant benefit, and from being too impatient for success. You must do practical work and seek actual results in a down-to-earth and indomitable manner. You should work swiftly, and pay great attention to problems concerning agriculture, rural areas, and peasants. In particular, you should intensify your efforts to help the poor shake off poverty and achieve prosperity sooner.

Comrade Zheng Silin urged comrades from Xuzhou and Huayin to further emancipate their minds, adopt new ideas, and take the initiative to absorb economic diffusion and receive the initial transfer of resources from developed regions in southern Jiangsu. He said: The transfer will be faster and bigger than people expect. Comrades from Xuzhou and Huayin, and even those from the whole of northern Jiangsu, should be keenly aware that they should take the initiative to actively receive the transfer.

Comrade Zheng Silin said emphatically: We should work according to the law of economics when receiving the transfer and absorbing the diffusion. Equalitarianism and indiscriminate transfer of resources should not prevail. We should not be afraid that others will make profits while we suffer losses. Actually, if we adhere to the principle of equality and mutual benefit, every participant will benefit once the economy is developed.

We should constantly emancipate our minds, open our door wider, and welcome investment and business from provincial-run concerns and entrepreneurs from southern Jiangsu and foreign businessmen.

In Xuzhou, Comrade Zheng Silin held a discussion meeting with leaders of Xuzhou and Lianyungang Cities on development and construction of the Longhai County-Xuzhou-Lianyungang region, and listened to speeches by Xuzhou City Mayor Wang Xilong and Lianyungang Mayor (Xu Shousheng). He also inspected some enterprises and construction sites, visited workers on the front line of production, and heard reports by the responsible persons of enterprises.

#### Shandong Secretary Attends Economic Meeting

SK1711090594 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 16 Nov 94

[FBIS Translated Excerpt] The provincial meeting of city mayors and prefectural commissioners was held in Jinan on 16 November. The meeting summarized and analyzed the economic operational situation since the beginning of this year and arranged for the work in the coming one and half months, with emphasis on discussing how to check inflation, achieve a balance between revenue and expenditure, tackle difficulties for enterprises, reduce the burdens on peasants, and map out ideas and plans for the next year.

Attending the meeting were Zhao Zhihao, secretary of the provincial party committee and governor of the province; Li Chunting and Chen Jianguo, deputy secretaries of the provincial party committee and vice governors of the province; Zhang Ruifeng, Wang Jiangong, and Wu Aiyong, vice governors of the province; and Han Bangju and Ma Changgui, special advisers to the provincial government. Zhao Zhihao and Li Chunting made important speeches.

Zhao Zhihao pointed out: Only one and a half months remain to this year. It can be said that we are now at a stage when we should make a surge in effort. Whether or not we can fulfill all the tasks for this year not only has a bearing on sustained economic development, but also has a bearing on the deepening and perfection of various reforms and on social stability. Thus, we must affirm confidence and make vigorous efforts to win a complete victory. At present, we should give prominence to the following tasks.

First, a balance between revenue and expenditure should be achieved by every possible means. All localities should gear up the collection of revenues, strictly control expenditures, and ensure the fulfillment of the province-assigned targets on increasing added value tax and consumption tax. The awards and punishment policies defined by the province will remain unchanged. Second, market supplies should be organized well to control price hikes. The increase in market supplies should be integrated with the strengthening of market management.

All possible means should be employed to make this year's price rise margin lower than the average national level. Special attention should be paid to making good arrangements for the supply of commodities during the New Year's Day and Spring Festival and for controlling commodity prices. Third, continued efforts should be made to ensure the supply of grain, cotton, cooking oil, meat, and some other agricultural products. Cotton procurement should be regarded as the most important task continuously. Fourth, attention should be paid to farmland capital construction, with a focus on the water conservancy project in the coming winter-spring period in order to lay a solid foundation for again pushing agriculture onto a new stage. Fifth, the work concerning foreign economic relations and trade should be grasped unflinchingly. Sixth, economic efficiency should continuously be put in a top priority position, the quality of industrial operation should be improved, the annual marketing rate of products should be ensured at 96 percent or higher, and all targets on reversing deficits and increasing profits should be fulfilled. In addition, all localities should attach high importance on the year-end statistical work. They should neither make exaggerated and false reports nor hide the truth or leave something out in making a report. Making exaggerated reports and hiding the truth are both a practice of fraud and thus they should be banned. Zhao Zhihao demanded that in the course of doing the current work well, all localities and departments should give consideration to and make arrangement for next year's work in an earlier manner.

In his speech, Li Chunting emphatically stressed the provincial financial work. He called on all departments at all levels to strictly carry out the new tax system. Without the approval of the State Council, any department has no power to give tax reduction and exemption. New tax reduction and exemption should not be given to both central and local taxes, and tax evasion in disguised form is forbidden. At present, the unpaid taxes by enterprises are the key factor affecting tax revenues. Therefore, forces must be organized to clear up tax arrears. Equal attention should be paid to clearing up major and minor taxes. Major tax sources and large enterprises with tax arrears should be regarded as the major targets of clearing up. From now to the end of this year, no new items will be arranged for all kinds of turnover fund and extra-budgetary funds of financial departments at all level, and all these funds should be used as the circulating funds of enterprises. Banks should also instill circulating funds to the enterprises that are major tax sources and that owe a large amount of taxes in order to support them to successfully engage in production and fulfill tax delivery tasks. To fully mobilize the initiative of all departments at all levels in doing the tax work well, the provincial government has also set up awards for those collecting above-quota added-value tax and consumption tax. The cities, prefectures, and provincial-level departments that successfully fulfill the province-assigned quotas on added value tax and consumption tax will be given awards according to a fixed

proportion of their added revenues. While vigorously organizing financial revenues, all localities should make great effort to control expenditures. All localities should spend money in strict accordance with budget in the coming one and a half months, even if they have financial resources. [passage omitted], no new expenditures should be made.

#### Shanghai Mayor Meets With U.S. Entrepreneurs

OW1711105394 Shanghai People's Radio Network  
in Mandarin 2300 GMT 15 Nov 94

[From the "990 Morning News" program]

[FBIS Translated Text] While meeting with U.S. Johnson and Johnson Company President Larson and the company's Board of Directors' Executive Committee members at the Mingshan Hotel yesterday evening [15 November], Mayor Huang Ju said: We attach great importance to the development of technology-intensive pharmaceutical products related to Chinese [words indistinct]. We hope to promote the importance of Shanghai-made pharmaceuticals in China through cooperation with large foreign enterprises.

Huang Ju hailed the convening of the Board of Directors' executive meeting in Shanghai by Johnson and Johnson Company on furthering business expansion in China. He added that this is something new and pleasant.

Larson said: Thanks to a fine investment environment created by the Shanghai Municipal Government, our enterprises in Shanghai have been running very well. We appreciate the support of the municipal government.

#### Foreign Banks Make Quick Profits in Shanghai

OW1611160694 Beijing XINHUA in English 1317  
GMT 16 Nov 94

[FBIS Transcribed Text] Shanghai, November 16 (XINHUA)—Despite fierce competition in the financial sector in Shanghai, foreign banks here have reported growing business and increasing profits.

In an interview with XINHUA, Operations Manager Paul Ng of the Shanghai branch of the Standard Chartered Bank revealed that the branch's business has expanded at an annual rate of 15 percent since the 1990s and profits during the same period went up by 20 percent annually.

"The board of directors has decided to move the bank's China area headquarters from Hong Kong to Shanghai in mid-1995," he said, describing the decision as an indication of the bank's confidence in the Chinese market.

This will make the Chartered the second foreign bank, after Citibank of the United States, who moves its China area headquarters to Shanghai. The Hongkong and Shanghai Banking Corp. is reportedly planning the same move.

According to the administration of foreign financial institutions under the People's Bank of China, 30 foreign financial institutions have set up branches in Shanghai by the end of October, some 20 of them ranking among the 50 largest in the world.

Before 1990, there were only four branches of foreign banks in Shanghai.

"About 20 of the branches are already running in black," Xu Feng, division chief of the administration, confirmed.

Speaking of competition, Ng cited his own branch from which 40 percent of staff have flown to its competitors offering higher salaries. But he said that Shanghai's development brings about more opportunities.

Besides, he added, each bank has its own advantages. He said that his bank, with 1,300 overseas branches, is strong in multinational financing. The Citibank is expanding its deposits business while the Japanese banks are developing their own clients by providing investment consultations service, he said.

Akira Ito, general manager of the bank of Tokyo's Shanghai branch, said that the branch has introduced over 200 Japanese investing companies to Shanghai in the past two years. This week, he is scheduled to personally receive 12 investment groups, while his staff will take care of another 30 groups.

"We expected a profit in three years when the branch was set up December 1991, but we came to it in the second fiscal year," Ito said. "The growth of Shanghai economy really exceeded our expectations."

In the internal performance crediting for 1993, the Shanghai branch of the Bank of Tokyo was rated first among the bank's branches in Asia-Pacific and was thus accorded the "performance excellence" award.

Altogether, there were five foreign banks' branches in Shanghai were accorded similar awards by their respective headquarters last year, according to Xu.

In the branch of Hongkong and Shanghai Bank, Manager Au Kwok told XINHUA that this year the bank is to hold its annual meeting of board of directors in Shanghai for the first time.

Au said that the branch's letter of credit business will grow by 25 percent this year, while the project financing volume is sure to double that of last year and will be four times as large as that in 1992.

Sources revealed that the branch of Japan's Sumitomo Bank had already committed loans totalling 40 million U.S. dollars after its establishment in September this year and had set a target of 300-500 million U.S. dollars next year.

#### **Zhejiang Peasants' Income Expected To Rise**

OW1211104894 Beijing XINHUA in English 0903  
GMT 12 Nov 94

[FBIS Transcribed Text] Hangzhou, November 12 (XINHUA)—The peasants' income per capita in east

China's Zhejiang Province this year is expected to reach 1,587 yuan, an increase of 20.7 percent over last year.

Despite frequent storms and floods earlier in the year, the rural economy in the province is surging. According to a report from the provincial rural economic department, the overall rural earnings of the province this year are expected to top 345.55 billion yuan, a hefty 35.4 percent rise from last year.

The report says that a major contributor to the growth of the province's rural economy is its township industry, which is expected to turn out 271.587 billion yuan in value, up 38.3 percent from last year. The service sector in the rural areas is expected to rise by 33.5 percent, it says.

#### **Credit Cooperatives Said Growing in Zhejiang**

OW1611165694 Beijing XINHUA in English 1623  
GMT 16 Nov 94

[FBIS Transcribed Text] Hangzhou, November 16 (XINHUA)—More than 15,000 credit cooperatives in east China's Zhejiang Province are playing an increasingly important role in its rural economic development.

According to officials from the Zhejiang branch of the China Agricultural Bank, deposits and loans in these credit cooperatives have now topped 40 billion yuan (4.7 billion U.S. dollars) and 30 billion yuan (3.5 billion U.S. dollars) respectively, accounting for a quarter and one fifth of the province's totals.

The cooperatives, aimed at offering financial support to rural areas, have total assets of more than 69 billion yuan (about eight billion U.S. dollars), they said.

They have also been offering an annual amount of 23.06 billion yuan (2.7 billion U.S. dollars) on average in loans to quicken the development of the province's township enterprises and agricultural production since the policy of reform and opening to the outside world was implemented in the country in 1979.

#### **Zhejiang Capital Acts To Attract Investment**

OW1111121594 Beijing XINHUA in English 0919  
GMT 11 Nov 94

[FBIS Transcribed Text] Hangzhou, November 11 (XINHUA)—Known for its picturesque West Lake, Hangzhou is one of China's tourist attractions. But, daily improvements in the investment environment of this capital of Zhejiang Province have provided another attraction for foreign investors.

According to the latest statistics, the city has approved the establishment of 2,434 foreign-funded enterprises. Included were 475 in the first nine months of this year. Actual overseas investment has amounted to 793 million U.S. dollars so far. During January-September period this year the city exported 518 million U.S. dollars worth of goods.

To attract more foreign investment, Hangzhou has set up four state development zones—the Hangzhou Economic and Technological Development Zone, the Hangzhou New and High-Tech Industrial Development Zone, the Hangzhou Yuanjiang State Tourism and Holiday Zone and the Xiaoshan Economic and Technological Development Zone.

In addition, it has concentrated on constructing infrastructural facilities and improving environmental conditions.

Already possessing convenient air, land, and water transport facilities, Hangzhou is constructing two expressways running from here to Ningbo in Zhejiang, one of China's 14 open coastal cities, and to Shanghai, China's largest economic center. It is also preparing to build an international airport.

While constructing a number of sewage treatment plants, the city has diverted fresh water from the Qiantang River to West Lake and removed from the lake areas the factories and workshops that discharge heavy pollutants.

At present, the city has more than 1,000 hectares of trees, gardens and lawns, and has the title of garden city.

### Northeast Region

#### Heilongjiang Secretary, Delegation Returns Home

SK1711071094 Harbin Heilongjiang People's Radio Network in Mandarin 1100 GMT 16 Nov 94

[FBIS Translated Text] The 13-member Heilongjiang provincial economic delegation led by Yue Qifeng, secretary of the Heilongjiang provincial party committee, returned to Harbin by plane on the afternoon of 16 November. Acting Governor Tian Fengshan and Ma Guoliang, deputy secretary of the provincial party committee, welcomed the delegation at the airport. Wang Xianmin, member of the Standing Committee of the provincial party committee and secretary general, also arrived on the same plane.

Yue Qifeng said: The main purpose of the delegation's visit to Canada and the United States was to meet old friends, make new friends, increase mutual understanding and friendship, and on this basis, explore ways to further expand mutual cooperation and exchange.

In Canada, the provincial delegation was met by the premier and speaker of the state. In the United States, Yue Qifeng participated in a Sino-American trade seminar of high-ranking persons as a specially invited representative, and introduced our province's situation in a speech given at the seminar. At the same time, the delegation conducted extensive contacts with local officials and business circles, and reached an agreement of intent on the production of beer and malt, the processing of potatoes, the intensive processing of soybeans, and loans for building airports and expressways, all of which \$600 million to \$700 million.

Yue Qifeng held that this visit is very fruitful and has basically attained the expected aim. If the work in the later stage of the government and the relevant departments can catch up, the results of this visit will be seen. He added: Many foreigners lack an understanding of Heilongjiang. This is an obstacle preventing our province from marching towards the world. How to strengthen and improve external propaganda work is an issue which we must urgently resolve.

During the visit, the delegation stopped for a short while in Hong Kong, Guangzhou, and Shenzhen, and conducted contacts and exchanged views with local leaders and business groups.

Yue Qifeng believed that good results will be produced if Heilongjiang combines its advantages of natural resources and industries with the advantages of funds and technology from the coastal areas.

#### Jilin Official Writes on Financial Situation

SK1711062194 Changchun JILIN RIBAO in Chinese 29 Oct 94 p 2

[Article by Li Naijie (2621 0035 3381), director of the Jilin Provincial Finance Department and director of the provincial local tax bureau: "On Jilin's Current Financial Situation and Tasks"]

[FBIS Translated Text] We have issued many and extensive financial and tax reform measures this year and have comprehensively executed the new tax system and revenue-sharing system. This has effected a considerable change in relations between various sectors in terms of the distribution of revenues. According to the financial system characterized by the revenue-sharing system, Jilin's 1994 revenue target to strive for is 9.6 billion yuan. This is a very arduous task because the base figure is high and the increase rate large. Comprehensive fulfillment or overfulfillment of the various tasks for this year's financial work has an important significance in attaining the goal of promoting Jilin's economy to a new height in three years and in facilitating a sustained, rapid, and healthy economic development.

1. Jilin's current financial situation does not allow optimism.

The new financial and tax system has by and large been operating normally, Jilin's revenue and expenditure have increased substantially, and the implementation of the budget has proceeded better than expected since the beginning of this year, thanks to the provincial party committee and government which have conscientiously strengthened leadership over financial and economic work, and thanks to governments at all levels which have paid attention to and solve the new problems emerging in the implementation of the revenue-sharing system. From January to September, Jilin's provincial-level revenue totaled 60.2 percent of the annual target. Including the consumption tax and value added tax (the 75-percent portion) to be turned over to the central authorities,

Jilin's overall revenue totaled 61.1 percent of the annual target, which represented 56.8 percent of the task to be attained and a 31.2-percent increase over the same period last year. Its expenditure totaled 53.7 percent of the annual target, showing an increase of 15.5 percent over the same period last year. However, the revenue has been adversely influenced by the impeded economic circulation, the insufficient demand for essential products, the low marketing rate of products, and enterprises' shortage of funds and poor economic efficiency, and thus the financial situation does not allow optimism. First, the collection of revenue has proceeded slowly, and the amount that should have been collected has been large. The substantial increase in Jilin's revenue in the first nine months of this year was a result of the low revenue base for the same period last year. From January to September 1993, Jilin completed merely 49.8 percent of its annual revenue target, and it completed 50.2 percent in the last three months of 1993. If the revenue plan had been carried out in a proportionate manner in the January-September period 1993, the revenue in the first nine months of this year would have declined by 8.9 percent instead of increasing. Judging from the actual amount of the revenue we collected in the first nine months of this year, we fulfilled merely three-fifths of the annual target in three-fourths of the time. This meant a shortage of 970 million yuan in the revenue we had planned to collect, which makes it more difficult to organize the collection before the end of this year. Second, enterprises' arrears of taxes have increased every month, which has seriously hindered Jilin's fulfillment of its revenue budget. By the end of September, enterprises' arrears of taxes totaled 1.51 billion yuan, up 1.38 billion yuan as compared with the beginning of the year. Of the total, the arrears of industrial and commercial tax came to 1.2 billion yuan, those of income tax 250 million yuan, and those of other taxes 60 million yuan. This makes it a very urgent task to clear up enterprises' arrears of taxes. Third, the amount of financial allocations in default has been large. Enterprises' defaulted tax payment has led to shortages of the revenue we planned to collect. In addition, some funds were allocated to the cities and counties that had deficits in the past few years. This makes it very difficult to distribute funds. In the first nine months of this year, Jilin's financial allocations in default totaled 2.23 billion yuan, funds arranged in the budget to be allocated for production, construction, and other undertakings could not be allocated in a timely manner, and wages to cadres, staff members, and workers in some cities and counties could not be issued on schedule, making the contradiction between revenue and expenditure more conspicuous. Fourth, factors remain numerous for reducing the revenue and increasing the expenditure. On the one hand, the wage increase for the staff members and workers of administrative units and institutions will greatly increase the expenditure. On the other hand, the wage increase for the staff members and workers of state-owned enterprises will greatly reduce the revenue. This will further

widen the difference between the revenue and the expenditure and make it more difficult to achieve a balance in the budget.

2. To fulfill this year's revenue task has important significance.

In September last year, the central authorities decided to begin implementing financial reform as of 1 January 1994 as characterized by the revenue-sharing system, and to take the 1993 actual amounts of revenues and expenditures of various provinces as the base to ratify their revenues and expenditures. To suit the changes in revenue distribution between central and local authorities following the institution of the revenue-sharing system, and to establish a proper revenue and expenditure base for Jilin for some time to come, we achieved a revenue of 7.98 billion yuan last year thanks to the concerted efforts of all localities and departments, thus substantially increasing the tax revenue base for this year. At the national financial work conference and conference on tax bureau directors held in early August of this year, the state assigned increase quotas for value added and consumption taxes for all provinces and municipalities to fulfill in 1994 in order to guarantee the base of the 1993 tax refund to various provinces—that is to say, to guarantee the 1994 budgeted expenditures of various provinces. The increase quotas assigned Jilin for the "two taxes" are 16.5 percent. Our revenue target is 9.6 billion yuan this year. When assigning increase quotas for the "two taxes," the state also clearly defined three principles. First, when the provinces fulfill the increase quotas for the "two taxes," their 1993 tax refund base will be acknowledged, and tax refunds to them will be increased in line with regulations. Second, if the provinces fail to fulfill the increase quotas, and if their "two taxes" are lower than last year's base, their tax refund will be reduced accordingly. Third, when the provinces fail to fulfill their increase quotas, but their "two taxes" are higher than last year's base, the central authorities will also acknowledge their tax refund base, but will deduct from last year's base the amount they are entitled to share in line with the implementation of the increase quotas. The result is that these provinces are guaranteed to have a tax refund base, but their financial resources will be reduced, and the difference between their revenue and yearly expenditures will be widened. We can see from this that how the increased quotas are fulfilled will directly affect Jilin's endeavor to achieve financial balance and the goal of promoting the economy to new heights; will affect the fulfillment of the state budget and the central tax refund to Jilin; and will affect Jilin's future financial situation. Therefore, all people in the province should fully understand the importance and urgency of this year's tax collection, and should adopt every means to fulfill or overfulfill the increased quotas for the "two taxes" and other revenue tasks, no matter how difficult it is.

3. Fulfillment of revenue and expenditure tasks requires the hard work of people throughout the province.

Since the beginning of this year, governments at all levels, as well as finance, banking, and other relevant departments, have done a great amount of work in organizing revenue collection and have not slackened their efforts. We have entered a crucial period for organizing revenue collection since there are merely 60-odd days left before the end of this year. Time is pressing and the tasks are arduous. People throughout the province should take immediate action in line with the requirement of the provincial government; should make concerted efforts; and should go all out to fulfill the increased quotas for the "two taxes" and various financial tasks, to ensure a success in the reform of the revenue-sharing system, and to lay a good foundation for next year's reform and development. Based on the provincial government's demand for great efforts in the fourth quarter and for the comprehensive fulfillment of all work targets and tasks, attention should be given to the following aspects when carrying out financial work.

A. We should firmly embrace the idea of taking the overall situation into account, and should comprehensively fulfill the revenue tasks at the central and provincial levels. The revenue-sharing system must be conscientiously implemented because it is an important reform measure for complying with the establishment of the socialist market economy system and for enhancing finance departments' ability for macro-control and regulation. All localities and departments should take the initiative in meeting the needs of the overall situation of the country and province; should make every effort to organize the collection of taxes at all levels—central, provincial, city, and county—giving priority to the steady growth of the central revenue; and should make sure the increased quotas for the "two taxes" assigned to Jilin by the central authorities are reached or surpassed.

B. We should further strengthen leadership, make concerted efforts, and institute the responsibility system at all levels. Governments at all levels should regard the organizing of tax collection as important work within the overall situation, should place it in the most urgent and most important position, should assign principal leaders to personally attend to it, and should coordinate efforts on a regular basis to resolve contradictions and problems in this endeavor. As has been proven in practice, the system for government leaders to assume responsibility for organizing tax collection is an effective measure, and all localities should implement it persistently. Finance and tax departments are directly responsible for organizing tax collection, and should work in close coordination. The great support of banks and other relevant departments is also indispensable to the endeavor of organizing tax collection. They should cooperate to help enterprises raise and enliven the use of funds so that enterprises will have more ability to pay taxes and deliver profits. All enterprises should enhance the idea of taking the overall situation into account, should take the initiative in sharing difficulties with the state, and should actively pay taxes. The responsibility system for tax collection should be instituted at every level. Jilin's

tax revenues at the central and provincial levels, as well as other local revenues, should be collected by the state tax bureau, the local tax bureau, and the finance department, respectively. In addition to this, clear responsibilities should also be assigned to the sections, divisions, and commissioners of these bureaus and department as well as to other departments in charge and enterprise directors (managers). Strict reward and punishment measures should be applied.

C. We should further strengthen the measures for collecting and managing taxes, and should collect the entire amount that should be collected.

All tax paying units and individuals should enhance the sense of paying taxes according to law, and all taxes collected should be turned over to the treasury in a timely manner according to the tax law. We should strictly manage taxes and resolutely check and correct unauthorized tax reductions and exemptions in violation of the tax law. We should make conscientious efforts to correct the erroneous practice of a small number of localities of lowering the income tax rate on shareholding enterprises without authorization, and should collect the income tax at a rate of 33 percent from these enterprises without exception. Enterprises that have been approved to continue the method of contracted payment should pay in a timely manner in line with the contracts, and should never delay payment for any excuse. Regarding enterprise groups that pay income taxes in a unified manner, the income tax should be calculated separately for each unit within the group that practices independent accounting according to its actual profits; the practice of using the profits of one unit to offset the deficits of another is not permitted. We should further strengthen the collection and management of income tax from individual and private enterprises as well as personal income tax. As the potential for such income tax is great, we should have a firm attitude and effective measures to ensure such income tax is collected in the full amount according to the tax rate and laws. This will not only help increase revenues, but will also help ease contradictions arising from unfair distribution in society.

D. We should adopt economic, administrative, and legal means as well as increase efforts to clear up arrears in taxes. We should collect overdue taxes from all enterprises that have defaulted, and should strictly impose fines according to regulations. As for enterprises failing to pay within the fixed time, the banks where they have opened accounts should support tax departments by forcibly drawing from the accounts the amount of money the enterprises should pay in taxes and turning the money over to tax departments. Regarding enterprises that have opened special bank accounts for tax payment, banks should set aside six to eight percent of the money the enterprises have received for selling goods and deposit the money in these special accounts to ensure taxes are turned over to the treasury in full and on schedule.

E. We should conscientiously conduct general tax and financial inspections, and should enforce financial and economic laws and strict discipline. During this year's inspection, we should focus on enterprises' malpractice of withholding revenues, evading overdue taxes, transferring funds, circulating funds outside the plan, and establishing unauthorized departmental coffers; we should resolutely investigate and deal strict blows to violations of the law such as forging, stealing, and altering value added tax receipts and evading and cheating tax payment, so as to safeguard the sanctity of the tax law. Illicit money that should have been turned over to finance departments should be collected and turned over to the treasury directly by the General Inspection Office. When an enterprise refuses to pay, banks should support the General Inspection Office by directly transferring the due amount from the bank account of the enterprise to the treasury in line with the demand of the State Council and provincial government.

F. Expenditures should be strictly controlled in line with the principle of ensuring key projects while simultaneously giving consideration to general projects. When arranging expenditures for the next few months, finance departments should adhere to the guiding principle of "ensuring food supply, ensuring key projects, and ensuring stability"; should give priority to key expense items such as wages of staff members and workers, heat supplies, and disaster relief; should resolve overdue wage payments to teachers and workers; and should make the best arrangements they can to meet the basic needs in the life of staff members and workers. In addition, they should arrange other expenses based on financial resources; should reduce, postpone, or stop expenses whenever they can; and should never carry out new items which incur expense. We should carry forward the spirit of plain living, arduous struggle, and developing undertakings through thrift and hard work; we should encourage leading organs to take the lead in practicing austerity and reducing expenses. We should guard against year-end buying sprees; should strictly control the various types of "commendation meetings," "celebrations," and "meetings to develop contacts and friendship"; and should resolutely check the unhealthy trends of giving presents and lavish parties as well as issuing bonuses and materials with public expenses without authorization. We should bring institutional purchases under strict control. Until the end of this year, no approvals to purchase cars will be given to city and county administrative units and institutions which have defaulted on wage payments, and to the enterprises which have defaulted on taxes.

### Northwest Region

#### Northwest Regions Help Poor Overcome Poverty

OW1111034594 Beijing XINHUA in English 0243  
GMT 11 Nov 94

[FBIS Transcribed Text] Yinchuan, November 11 (XINHUA)—Northwest China's provinces and autonomous

regions are marshalling their social efforts to help the people in need to jump over the poverty line.

Northwest China consists of Shaanxi, Gansu and Qinghai provinces, and Xinjiang Uygur and Ningxia Hui autonomous regions.

At present, northwest China still has 15 million people living below the poverty line of 500 yuan (about 58.14 U.S. dollars at 1990 prices) annually, accounting for about 20 percent of the country's total.

The government of the Ningxia Hui Autonomous Region has sent more than 1,000 officials to the 100 poorer townships to help improve farming conditions, develop local pillar industries, mobilize poor people to move from the barren mountainous areas to river valleys with better living conditions, and to organize labor service and set up rural industrial enterprises to boost local economies.

The Shaanxi Provincial Government vowed to lift all its farmers above the poverty level step by step using ways of improving farming conditions and building roads and power and drinking water facilities.

The Xinjiang Uygur Autonomous Region has increased its fund from 70 million yuan last year to 165 million yuan this year for building infrastructure facilities, setting up schools, hospitals, and clinics, and spreading general knowledge of science and family planning policy in the poorer areas.

According to Chen Junsheng, state councillor and director of the group in charge of aid-the-poor projects under the State Council, eliminating poverty is a major issue facing China's development.

In March this year, the central government pledged to help all its 80 million poor farmers to become well-to-do by the year 2000.

Northwest China was the poorest area due to adverse weather conditions and its being cut off from the outside world.

The central government began to help this area to get rid of poverty in the 1980s, as a result of which, the proportion of poor people in Gansu Province dropped from 75 percent of the province's total to below ten percent.

To further help wipe out poverty in northwest China, the central government has included some 140 poor counties in its agenda, and granted preferential policy and increased funds to these areas to help boost local economy.

Ningxia has decided to combine the aid-the-poor program with the exploration of the yellow river valley. It plans to move one million poor people from remote mountainous areas in its southern region to the Huang

He valley, while granting a sum of three billion yuan in opening up 133,000 hectares of irrigated fields within six years.

"If this project is successful, Ningxia will root out poverty," Guo Zhanyuan, director of the regional agricultural development office, said.

He was convinced of the success because of the region's experience in arranging re-settlement for 150,000 poor people in the valley over the past decade.

Experts here believe that the key to China's wiping out poverty lies in its northwest, which is expected to provide experience in rooting out poverty for the rest of the country.

### **Southern Gansu Pursues Diversified Economy**

*OW1611032394 Beijing XINHUA in English 0256 GMT 16 Nov 94*

[FBIS Transcribed Text] Lanzhou, November 16 (XINHUA)—People in the Gannan Tibetan Autonomous Prefecture in southern Gansu Province have bid farewell to their traditional livestock breeding.

In this, one of the key pastoral areas in China herdsman have not only developed modern animal husbandry but now also engage in forestry, build hydroelectric power stations, develop gold mines and run tourist services.

So far, they have planted 46,700 ha of grassland, averaging 0.013 ha per head of livestock, fenced 36,267 ha of grassland, and built five animal feed processing mills and 84 workshops which can process 40 million kg of animal feed a year.

A survey shows that the prefecture has reported good livestock production for ten years running.

The largest forest zone and timber production base in Gansu, in northwest China, the prefecture has mobilized people to go in for afforestation.

To tap its rich water power potential local people are building four hydroelectric power stations, with a combined investment of 130 million yuan. When these stations go into operation in 1996 they will bring the prefecture's total generating capacity to 67,300 kw.

In addition, people in the prefecture have discovered 260 mineral deposits, including 20 gold deposits.

Some 120,000 tourists and visitors from other parts of the country and overseas visit this scenic area every year.

### **Qinghai Promotes Literacy for Minority Women**

*OW1211232394 Beijing XINHUA in English 1443 GMT 12 Nov 94*

[FBIS Transcribed Text] Xining, November 12 (XINHUA)—More than 3,500 women of the Sala Ethnic

Group in Xunhua Sala Autonomous County of northwest China's Qinghai Province have been given qualifying certificates of getting rid of illiteracy as they completed study in literacy classes sponsored by local governments.

At the same time, over 30,000 women of the Sala and Hui Ethnic Group are attending technical training and literacy classes in this county, the only area inhabited mainly by the Sala Ethnic Minority group.

Traditionally, the Sala people, with a population of 77,000, have lived on the banks of the Yellow River in Qinghai Province. This Moslem nationality lives by agriculture, horticulture and trading.

According to customs and traditions, Sala women are regarded as unworthy of learning to read and write.

In the drive for reforms and opening up to the outside, the Sala women have broken old habits by beginning to learn new knowledge and skills in production.

Carrying out an anti-illiteracy drive among women may be an easy task in other parts of China, but it has its special difficulties here, one of the poorest counties in China.

Local officials have done a lot of work to help Sala people to do away with the old customs, and to understand the importance of gaining new knowledge in promoting social and economic development.

Officials of the local women's federation have visited families of the Sala ethnic minority group to persuade Sala women to attend literacy classes.

The first two literacy classes for Sala women were held in two villages of the Jishi Township in 1990. A total of 81 women of Sala and Hui ethnic minority groups attended the eight-month classes.

For the graduation of 81 women from the literacy classes, a grand ceremony was held by the county government with the aim of spreading the news in the county.

Working together with education departments, the women's federation of the county has set up literacy classes for women in all towns and villages. They have also mobilized local primary and middle school students to teach their mothers to read and write.

The women's federation sent notebooks, pencils, and pens to Sala women and some villages have even given small bonuses to women attending literacy classes.

Such measures have proven efficient in encouraging Sala and Hui women to attend literacy classes. As a result of these efforts, the cultural level of women in the county has been greatly improved.

The county government has also organized scientists and technicians to go to poverty-stricken towns and villages to teach women how to plant crops and raise domestic animals.

In a recent learning and skills competition for women held by the Qinghai Provincial Government, thousands of Sala women could be seen taking part in the competition.

#### **Xian Workers Indicted Over Jun Plane Crash**

HK1611134894 Hong Kong ZHONGGUO  
TONGXUN SHE in Chinese 0733 GMT 16 Nov 94

[FBIS Translated Text] Xian, 16 Nov (ZHONGGUO TONGXUN SHE)—The Xian City People's Procuratorate has completed its investigation into the extraordinary Xian "6 June" air disaster, which killed all 160 people on board in June this year.

The procuratorate charged Wang Xijing, an instruments engineer and foreman of the No. 3 workshop of China Northwestern Airlines maintenance plant, and instruments worker Li Wen as being responsible for this extraordinarily serious incident, while Yang Junlin, a command instruments engineer, was charged with neglect and dereliction of duty. Indictments were filed against all of them.

The investigation found that Northwestern Airlines Flight 2610 was canceled on the morning of 4 June this year because an inclining conduit in the built-in automated control system had malfunctioned and a side-stabilizer could not open. Yang Junlin, the chief supervisor on duty, and others concerned organized men to tackle the faulty system. An aviation test on the plane that very evening indicated that the plane's automated control system was still malfunctioning. Wang Xijing boarded the plane with Li Wen and others concerned to carry out a check and they found that the system was indeed malfunctioning. Yang Junlin ordered the installation of a completely new safety framework. After its replacement, Yang, who had the authority to release the plane to fly, signed the release order without directing Wang and the others concerned to carry out a final inspection. The plane fell apart in midair and crashed to the ground.

#### **Xinjiang Receives World Bank Construction Loan**

OW1111134694 Beijing XINHUA in English 1333  
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—The World Bank has agreed to provide 150 million U.S. dollars for the construction of a top-grade highway in northwest China's Xinjiang Uygur Autonomous Region.

The loan agreement was signed here today by senior officials from the World Bank and the Chinese Ministry of Finance at the Great Hall of the People.

Construction of the highway, which will be 283 km in length and connect four major cities and nine counties, started this year and is scheduled to be completed in 1998.

When completed, the highway will contribute considerably to the region's economic growth and China's highway network.

The total cost of the construction is projected at around 317 million U.S. dollars.

The Ministry of Finance and the World Bank also signed another agreement today on the World Bank's technical assistance to help China improve its legal framework.

Under the agreement, the World Bank will provide China with 10 million U.S. dollars for the drafting of a dozen major economic laws over the next five years and training professional personnel in the legal field.

This is the first time for the country to channel credit loans into the legal sphere.

According to officials from the Finance Ministry, World Bank loans to China had amounted to some 19.38 billion U.S. dollars by the end of June this year.

From June 30, 1994 to June 30, 1997 the World Bank plans to aid 40 to 50 projects in China, with loans totalling up to ten billion U.S. dollars.

#### **Xinjiang Making Efforts To Train Minorities**

OW1511130294 Beijing XINHUA in English 0945  
GMT 15 Nov 94

[FBIS Transcribed Text] Urumqi, November 15 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region is making special efforts in training personnel of ethnic minorities in science and technology for the next century.

Co-sponsored by the State Science and Technology Commission, the Ministry of Personnel and the regional government, the project hopes to train outstanding people from ethnic minorities in the scientific and technological field during the 1993-1995 period.

Those selected will receive further training in major universities in the inland areas for two years. Then, after three to five years of on-the-job training, they are expected to become leaders in various scientific and technological fields.

So far, the State Science and Technology Commission and the regional government have earmarked some 800,000 yuan for the project.

Selection of trainees has been carried out since 1992 in the region.

So far, 207 trainees have been selected from more than 700 applicants. The first batch of 95 trainees have gone to inland universities and scientific research units for further training, and the rest will follow suit in January next year.

**'Special Methods' For Xinjiang AR Workers***SK1711122594 Beijing XINHUA Domestic Service  
in Chinese 1806 GMT 15 Nov 94**[By reporter Peng Hong (1756 4767)]*

[FBIS Translated Text] Urumqi, 16 Nov (XINHUA)—The Xinjiang Uygur Autonomous Region has adopted special methods to train minority transcultural scientific and technical professionals. The first group of 95 minority nationality middle-age and young scientific and technical workers have received training in some colleges and scientific research units in the inland areas.

The plan of training transcultural minority nationality scientific and technical professionals was advocated by State Councillor Song Jian, and Tomur Dawamat, former chairman of the Xinjiang Uygur Autonomous Regional government and vice chairman of the national National People's Congress standing committee, and jointly implemented by the State Science and Technology Commission, the Ministry of Personnel, and the autonomous region. The plan demanded efforts be made to complete organizing 200 minority nationality middle-age and young scientific and technical backbone cadres to study for two years in institutions of higher learning and scientific research departments in the inland areas from 1993 to the time before the end of 1995 so they can basically attain the level of serving as leaders in some branches of learning through three to five years of practice.

In line with the demands in the plan, the autonomous region started the selection work in February 1992. The scope of selection mainly includes those scientific and technical workers of about 35 years old who have made outstanding achievements in scientific research, in college, secondary, and specialized education, in the fields of medicine and public health, and on the forefront of industrial and agricultural production, who have development potential and hold middle or high-grade specialized technical posts. Through recommendation and reports by each level, the autonomous region finally sorted out more than 700 persons from tens of thousand minority nationality scientific and technical workers. After being examined, approved, and assessed by the regional high-ranking appraisal and examination committee, 207 persons were finally selected as scientific and technical workers for special training. So far, the first group of 95 scientific and technical personnel of various nationalities have received training in some colleges and scientific research units in the inland areas. The State Science and Technology Commission and the regional people's government have allocated 800,000 yuan as special funds for carrying out the training work.

It has been learned that this plan has been actively supported by the relevant departments and committees of the state and some fraternal provinces, regions, and cities in the course of implementation. The Ministries of Public Health and Agriculture and the State Education

Commission have regarded training transcultural professionals for Xinjiang as a political task to be fulfilled concerning economic development in the minority areas and the great unity of the people of various nationalities in the whole country, and have given each student a subsidy of 1,000 yuan to make up for the deficiency of training funds. The Chinese Academy of Sciences, the Ministries of Construction and of Water Resources, in addition to providing definite subsidies, have also tried their utmost to provide them conveniences in terms of study and living conditions. Some of them have set up Muslim kitchens, and many colleges have specially assigned well-known professors to serve as tutors.

**Ethnic Language TV Available in Xinjiang***OW1511023694 Beijing XINHUA Domestic Service  
in Chinese 2124 GMT 4 Nov 94**[By correspondent Lou Wang Hao (2869 2598 4110)]*

[FBIS Translated Text] Urumqi, 5 Nov (XINHUA)—Any minority nationality with a population of more than 100,000 in Xinjiang now has its own radio and television stations, thus basically achieving the goal for all minority nationalities to have radio and TV stations airing programs in their own languages.

Many nationalities live in Xinjiang. The population of minority nationalities accounts for more than 62 percent of Xinjiang's total population. To enable people of various minority nationalities in Xinjiang to receive radio and TV programs in their own languages, the state has vigorously provided financial, material, and technical support. At present, Xinjiang People's Radio Broadcasting has programs in Uygur, Mandarin, Kazak, Mongolian, and Kirgiz languages. Xinjiang TV Station now airs its programs in Uygur, Mandarin, and Kazak. Xinjiang radio and TV stations air 97 programs, with a total of 584 airing hours a day. Such programs are available to more than 70 percent of the population. Except for Changji Hui Autonomous Prefecture and Shihezi city, all radio and TV stations air their programs with more than two ethnic languages.

To enable people of various minority nationalities living in border areas to receive radio and television programs, the state invested a large amount of money each year beginning from the Sixth Five-Year Program period. According to incomplete statistics, during the 1982-93 period, the central and regional governments invested 55.6 million yuan in radio and TV undertakings. As a result, 80 percent of people living in border areas were able to receive radio programs in 1993 while only 34 percent of them were able to do so in 1982. About 70 percent of people living in border areas were able to receive TV programs in 1993 while only 54 percent of them were able to do so in 1985. The programs received in border areas are aired both in Mandarin and other ethnic languages.

**Xinjiang Boosts Agriculture in Reclamation Areas**  
*OW1011134294 Beijing XINHUA in English 1026*  
*GMT 10 Nov 94*

[FBIS Transcribed Text] Urumqi, November 10 (XINHUA)—The introduction of farm machinery and irrigation methods have paid off in China's largest reclamation area in the Xinjiang Uygur Autonomous Region.

A survey shows that the reclamation areas with a population of 2.2 million turn out an annual 1.4 million tons of grain, 250,000 tons of cotton, 1.15 million tons of oil-bearing crops, beet and fruits, with a total value amounting to 4.5 billion yuan.

Located in northwest China, Xinjiang is mainly a region of mountains, desert and barren hills, which cover 96 percent of the total area.

Reclamation in the region dates back possibly to the Western Han dynasty (202 BC - 25 AD), when people started to open up croplands in the Tarim Basin, the Junggar Basin and along the western border.

However, the reclamation methods had remained primitive until the founding of the People's Republic of China more than four decades ago.

To boost agricultural development in reclamation areas, the central government demobilized the troops garrisoned there to create a Xinjiang Production and Construction Corps, to be engaged in the opening up, transforming and managing of land in the largest region of the country.

To upgrade traditional agricultural methods, in addition to ordering more machines from markets, the Xinjiang Production and Construction Corps has set up 122 large factories for manufacturing and repairing machines and over 2,000 small factories, which generate an annual industrial output value of 110 million yuan.

So far, the corps has a fixed asset of 880 million yuan, including 11,000 big- and medium-sized tractors, 14,000 small tractors, 2,600 trucks, 1,500 combines and even 21 aircraft.

The corps has established 90 vocational schools which have trained tens of thousands of people in agricultural technology, operation, repair and manufacturing of machines. Many of these people have invented agricultural machines and won medals from the state for their achievements in this field.

At present, the complete process of planting wheat, rice, maize and oil-bearing crops in reclamation areas is undertaken by machines.

Machines also do most of the work in harvesting cotton and beets, planting trees, processing farm products, farm transport, and capital construction on farm land.

In all, machinery accounts for 91 percent of the agricultural muscle of the reclamation area's 180 farms, fisheries and pastures.

To overcome its water shortage, the corps has invested 2.46 billion yuan in harnessing eight main rivers in the region, building 112 water reservoirs and digging over 80,000 kilometers of canals, sinking more than 10,000 wells and constructing 110 irrigated farm areas.

The water conservancy facilities have stored summer floodwaters for use in winter, helping not only to keep a constant water supply to farmlands, but also preventing reclamation areas from suffering flood damage.

While constructing water conservancy facilities, the corps has also used plastic film, cement, and other anti-leak materials.

In addition, the corps has constructed many automatic sprinkling systems.

With the improvement in irrigation, the corps has opened up more than one million hectares of farmland in the Gobi Desert.

**Taiwan Takes Responsibility for Shelling**

OW1611163394 Beijing XINHUA in English 1626  
GMT 16 Nov 94

[FBIS Transcribed Text] Beijing, November 16 (XINHUA)—The Taiwan authorities admitted that the Kuomintang troops on the Xiao Jinmen [Quemoy] island should be held responsible for the November 14 incident of shelling at a suburban village of Xiamen city in southeast China's Fujian Province, injuring four people, two seriously.

According to the CENTRAL NEWS AGENCY of Taiwan, authorities have expressed "deep regret over the non-hostile firing by accident" and asked departments concerned to "handle the aftermath of the incident".

The Straits' Exchange Foundation of Taiwan sent a letter to the Mainland Association for Relations Across the Taiwan Straits on the evening of November 15, expressing "regret over the incident" and asking the mainland association to convey, on its behalf, its sympathy and solicitude for the injured. But it also claimed that "the incident was the result of trial firing after repairs of the guns by the Kuomintang troops stationed in the Xiao (lesser) Jinmen island" and "it was possible that some of the shells dropped on Xiamen before they exploded in the air."

**ARAT Letter Demands Taipei Examine Incident****XINHUA English Version**

OW1711092194 Beijing XINHUA in English 0900  
GMT 17 Nov 94

[FBIS Transcribed Text] Beijing, November 17 (XINHUA)—The Association for Relations Across the Taiwan Straits, entrusted by the concerned departments, demanded today that the Taiwan authorities thoroughly investigate the November 14 shelling incident.

On that day, a suburban village of Xiamen City in Fujian Province was shelled by Kuomintang troops from the island of Xiao (Lesser) Jinmen [Quemoy].

Four people were wounded in the bombardment, two seriously.

In a letter replying to one sent by the Straits Exchange Foundation of Taiwan (SEF), the association also asked the SEF to convey its demand to the Taiwan departments concerned to punish the troublemakers involved in the incident.

It also urged the Taiwan authorities to guarantee that such an incident will never occur again.

**XINHUA Domestic Version**

OW1711115994 Beijing XINHUA Domestic Service  
in Chinese 1116 GMT 17 Nov 94

[FBIS Translated Text] Beijing, 17 Nov (XINHUA)—In a letter of reply to Taiwan's Strait Exchange Foundation

[SEF] today, the Association for Relations Across the Taiwan Strait [ARATS] has put forward stern demands on Taiwan's relevant department in connection with the shelling of Xiamen City's vicinity by the Taiwan authorities' troops stationed on Xiao Jinmen [Lesser Quemoy].

The ARATS points out in the reply: On 14 November, troops stationed by the Taiwan authorities on Xiao Jinmen opened fire. The shells, which dropped at the vicinity of Xiamen City, caused several injuries. The evidence is conclusive. The reply says: Entrusted by the concerned departments, the ARATS put forward the following stern demands through the SEF to Taiwan's relevant departments:

1. To thoroughly investigate the truth surrounding the incident and promptly inform the ARATS of the results.
2. To severely punish the troublemakers and affix the responsibility of personnel concerned.
3. To guarantee that such an incident will never occur again.

**Article Views Beijing 'Strategy' To Isolate Taiwan**

HK1711110094 Hong Kong TANGTAI in Chinese  
No 43, 15 Oct 94 pp 26-27

[Article by Lo Chi-an (7482 1807 1344): "Mainland's New Strategy To Deal With Taiwan Offensive"]

[FBIS Translated Text] Recently, the relationship between Mainland China and Taiwan has been quite tense. On one front, Taiwan has been trying all possible means to obtain a position in the United Nations and the international community and to attract international attention; on another front, taking advantage of the 12th Asian Games, it succeeded in breaking the CPC blockade, with Hsu Li-te, vice chairman of the Executive Yuan, setting foot on the land of Japan. He established a precedent where a Taiwan politician made a perfectly justifiable appearance in the international arena despite objections from the mainland. This angered the mainland authorities. Though they might end up handling this event rationally, they are now very wary of Taiwan's offensive in seeking to break through their political confines and have stopped assuming that cross-strait relations have "turned for the better" and treating the whole thing lightly.

**Taking Both Political and Economic Measures**

Faced with this series of events, the high-level CPC authorities recently held a meeting to try to work out ways to stop Taiwan seeking breakthroughs. According to informed sources in Beijing, after reviewing the situation in recent years and the relative strengths across the strait, the CPC high-level authorities made new arrangements that were different from the previous ones. They are going to stop the previous practice of blockading Taiwan only in a political sense and would instead take dual measures, not only taking a political stand against

the internationalization of Taiwan politics, but also trying to sever or disintegrate Taiwan's relationships with friendly nations.

The CPC center pointed out that because the current international situation has undergone major changes, it is no longer appropriate to treat Taiwan with a political and hardline approach like before, as this has proved ineffective: Taiwan has not been isolated, but, on the contrary, those countries which have been making overtures to Taiwan are gradually learning to be more "flexible" (Japan allowing Hsu Li-te to attend the Asian Games and the United States upgrading relations with Taiwan are clear examples). Therefore, the CPC center believes that various strategies should be taken toward countries and regions that are on close terms with Taiwan.

This policy mainly contains the following points:

1. Start working as soon as possible on those countries and regions (e.g. South Africa) which may develop a close relationship with Taiwan or whose economic relations with Taiwan may develop into diplomatic relations; concentrate, as much as possible, mainland China's limited aid resources on these "danger zones," making medium-sized and small countries feel that only establishing diplomatic relations with China can bring "substantial benefits." However, priorities must be clearly defined here, because China cannot afford to provide international aid ahead of its own economic construction, as it did in the 1960's.

#### **Establish Fast Feedback Information System**

2. Maintain multilevel, multifaceted contacts and communication with countries and regions which acknowledge "there is only one China" and yet refuse to give up close connections with Taiwan, make them feel the presence of China (which is also pressure), and observe the difficulties facing the other party at all times in case Taiwan takes advantage of them and tries to establish contacts. This requires greater efforts on the part of Chinese embassies abroad.

3. As for those countries which have established or are determined to establish diplomatic relations with Taiwan, according to the CPC center, they should also be worked on and conditions should be conveyed that are acceptable to both sides. But this only applies to Third World countries friendly with Taiwan, not to developed nations. China must continue to be firm toward the United States and other big influential nations.

4. Establish an "immediate response mechanism" or "fast feedback mechanism" in all Chinese embassies or diplomatic institutions abroad, which can deliver any information of reference to Beijing instantly so that leaders can make immediate judgments. For instance, South American countries which have diplomatic relations with Taiwan draw up a motion in the United Nations almost every year demanding permission for

Taiwan to return to the United Nations. Such developments must be closely followed.

In fact, after Tang Shubei, chairman of mainland China's Association for Relations Across the Taiwan Strait, visited Taiwan two months ago to meet the Straits Exchange Foundation and other relevant personalities, the CPC center and various units involved in Taiwan affairs gave a rather comprehensive assessment of the results of the visit and future Taiwan policy, resulting in a series of policies. These policies have been turned into documents by the State Council's Taiwan Affairs Office and circulated to all units concerned.

#### **Economic Strategy Should Also Be Applied Toward Taiwan**

The CPC center concluded that Tang Shubei's Taiwan visit was successful and had achieved something with the Taiwan authorities on some practical issues. But the center also said that the "tendency toward Taiwan independence" in both the Taiwan authorities and some forces on the island (e.g. Democratic Progressive Party) is still very strong, and that the Taiwan authorities are double-dealing, negotiating with the mainland on one hand while constantly stepping up Taiwan's activities in the international arena on the other hand. Therefore, the first thing in handling the cross-strait relations now is to curb Taiwan's tendency toward independence.

The CPC center also thinks that strategy toward Taiwan itself should gradually change from a purely political approach to a joint economic and political approach. In April this year, the CPC center held a work meeting in Fujian on the economic approach to Taiwan affairs, laying down clear guidelines for the work of Taiwan affairs offices of all provinces and municipalities, namely activation through economic means and deepening the foundation of cooperation. The center decided to postpone discussing a proposal made by the Ministry of Foreign Trade and Economic Cooperation that preferential terms for Hong Kong, Macao, and Taiwan businessmen be gradually reduced (as China's trade contacts with other countries are becoming more and more frequent and investors from other countries are unhappy about the preferential treatment Hong Kong, Macao, and Taiwan businessmen receive and consider it unfair competition) in order to cater to the needs of current cross-strait relations and the return of sovereignty over Hong Kong and Macao.

#### **CPC Center Sees "Four Major Crises"**

The CPC center has given much thought to Taiwan's economic strength, considering the possible diplomatic broadening of Taiwan catalyzed by economic factors as one of the "four major crises" that China faces in the world at present. The three other major crises are: the political challenge from the United States and its Western strategic allies, the challenge from areas enjoying rapid economic growth in the Asia-Pacific region, and the challenge of instability in countries and

regions that maintain important relations with China (e.g. the DPRK's relations with China in the wake of Kim Il-song, in other words the challenge from the pressure the communist camp is under).

Taiwan affairs offices in all provinces and municipalities have started to look at Taiwan affairs work in their respective regions as instructed by the center.

### Army Suspends Shelling Drill, MiG Report Denied

HK1711023794 Hong Kong AFP in English 0954  
GMT 16 Nov 94

[FBIS Transcribed Text] Taipei, Nov 16 (AFP)—Taiwan said Wednesday [16 November] it had suspended an artillery exercise on one of its islands after the "mistaken" shelling of a Chinese mainland village which fuelled new tension between the rivals. In a sign of the jittery state of nerves, Defense Minister Sun Chen angrily denied a newspaper report that Chinese warplanes crossed the neutral line along the Taiwan Strait shortly after the incident on Monday.

And an informed source told AFP, the heavily fortified defense command on Kinmen island has been in a state of emergency since October 10 when a group of Chinese troops came near Uchiu, another small islet, and challenged Taiwanese counterparts to a battle.

Sun repeated Taiwan's embarrassed apologies for the bombardment, which according to China wounded four people in a Fujian province village near Xiamen. But the Beijing press did not report the apologies made Tuesday. Chinese reports concentrated on the strong protest made over the incident which was described as "vicious and evil."

In a speech to parliament, Sun reaffirmed that there was no hostile intention behind the 12 or more shells which landed on the mainland. He also repeated an offer to "compensate for what has been done to the village and the victims accordingly."

But a report by the mass-circulation United Daily News [LIEN HO PAO] brought a rebuke from Sun. The report said the Taiwan military dispatched fighters to intercept Chinese warplanes which cross the neutral line but immediately flew back to the mainland. "There was no such incident," Sun told members of parliament in a bid to defuse speculation which the government fears could create a sense of insecurity.

A shelling drill which has been going on at Kinmen island for the past month was suspended, an official said. "Since Tuesday night, there has been no more shelling drill," a spokesman for lawmaker Chen Ching-pao told AFP. Chen's constituency is on the island.

Local media also reported the suspension. But Military spokesman's office in Taipei would not confirm the order, saying it was a defense secret. [sentence as received]

The informed source said the shelling exercise had been going on since the October 10 incident. He added that such an intensive drill day and night had been rare in recent years. Military strategists said the exercise was a result of eight war games carried out by China at its eastern and southern coast this year.

Lin Yu-fang, chief of the Graduate Institute of Strategem at Tamkang University, said judging from the landing method and the number of troops, a September war game at Dongshan Island in the East China Sea showed that "Beijing starts to seriously consider taking outlying islands like Kinmen, Matsu and even Taiping island of the Spratlys archipelago." All three such islands are claimed by Taiwan which has also stationed troops there.

In Beijing, Taiwan's embarrassed apologies for the "mistake" bombing were ignored by the Chinese press, indicating that the rivals have hit a new source of friction. The Xiamen city hall, near where the shells fell, said it had no knowledge of an apology. Press reports of the shelling also made no mention of the apology or compensation offer made by Taipei.

A spokesman for the Association for Relations across the Taiwan Straits, China's body dealing with relations with Taiwan, told AFP that an apology had been received though. He said it arrived Tuesday from its Taiwanese counterpart the Straits Exchange Foundation. "We are going to replay but we cannot tell you when and in which way," said spokesman Xu Zhiqin. Xu did confirm though that talks between the two bodies planned for Sunday in Nanjing would go ahead.

Some Beijing inhabitants reacted angrily to reports of the shelling. "We must crush them if they start again," said one young Beijing driver. The Beijing Youth Daily gave front page prominence to a report on the wounding of the villagers. It quoted site foreman Ling Baisheng as saying that he heard three "violent" explosions. "Three workers suddenly fell to the ground and blood started flowing. Another was hit in the shoulder by a piece of metal. Bits of the shell were embedded in the wall of a workshop." The correspondent said some unexploded shells had "made in 1953" stamped on them.

Military experts in Beijing said the shells were probably in an air-raid exercise. But they questioned why the guns were turned toward the Chinese mainland.

### Beijing Sends Team To Investigate Shelling

HK1711035094 Hong Kong LIEN HO PAO in  
Chinese 17 Nov 94 p 10

["Special dispatch" from Beijing by special correspondents Lai Chin-hung (6351 6930 1347) and Teng Pi-yun (6772 0012 0061): "Beijing Military Authorities Send Investigation Team To Conduct On-the-Spot Investigation Into Taiwan Shelling Incident"]

[FBIS Translated Text] After the State Council's Taiwan Affairs Office spokesman and the official XINHUA News Agency strongly condemned the incident of shelling from Lesser Quemoy, the senior level in Beijing has paid close attention to the incident. According to information we have received, the mainland military has organized an investigation team to conduct an inquiry into the incident on the spot. Yesterday, various major

mass media on the mainland also sent reporters to the scene to cover the incident thoroughly.

According to the information, an investigation team, formed by the Central Military Commission and the Fujian Provincial Command, went to the scene immediately after Lesser Quemoy mistakenly shot at Xiamen villagers, to carry out a thorough investigation. The investigation team will submit a report to the Central Military Commission and the Nanjing Military Region. Both the Xiamen City Government and Fujian Provincial Government have sent personnel to the scene to study the situation and express sympathy to the wounded and their relatives. Xiamen City will also brief the relevant central department on the events in the incident and the work in the aftermath.

According to informed sources, the mainland side is paying close attention to the shelling incident, which not only wounded four persons seriously and otherwise and damaged the property of the mainland compatriots, but also stirred up waves in the Taiwan Strait, which has enjoyed peace for a long time. Therefore, the senior levels on the mainland are quite concerned about the incident and are observing the situation. Beijing primarily wants to see whether the Taiwan side will announce the fact, severely punish the persons involved, and handle the aftermath work.

The sources pointed out: The mainland side neither understands why the Taiwan troops chose the Xiamen areas on the opposite shore as the target of the shelling exercise, nor do they understand why, after one or two mistaken firings, the relevant military personnel did not stop immediately but kept committing the mistake by firing a dozen shells, which led to the wounding of several Xiamen villagers, seriously and otherwise. The informed sources pointed out that this kind of mistake is dangerous and should not have happened.

Major mass media in Beijing yesterday all prominently reported the speech by the mainland's State Council Taiwan Affairs Office spokesman on the shelling from Lesser Quemoy. RENMIN RIBAO carried a XINHUA dispatch in the lower part of the front page, and BEIJING QINGNIAN BAO gave it the major headline on the front page. The Central Television Station and the Central People's Broadcasting Station also carried the report in their news programs.

The informed sources pointed out that, on the mainland, the official XINHUA News Agency, ZHONGGUO XINWEN SHE, and RENMIN RIBAO have instructed their reporters in Fujian or Xiamen to go to the spot.

#### MAC Head Calls For Signing of Investment Pact

OW1711103194 Taipei CNA in English 0743 GMT  
17 Nov 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 17 (CNA)—The two sides of the Taiwan strait should sign an investment guarantee agreement as soon as possible to protect the lives, properties, legal rights and interests of investors, a senior mainland affairs official said Thursday [17 November].

Huang Kun-hui, chairman of the Mainland Affairs Council (MAC), said during a weekly cabinet meeting that the safety of Taiwan investors has been threatened in Mainland China because of the worsening social order there.

Among others, Huang said, the armed robbery of a Taiwan-owned chemical plant in Guangdong Province in southern mainland on Nov. 3, in which one factory worker was injured and more than HK\$200,000 (Hong Kong dollars) in cash was stolen, has once again spotlighted the necessity for Taiwan to discuss with mainland authorities the issue of investment guarantees and protection of lives and properties.

"We believe the signing of an investment guarantee accord can not only better protect the rights, interests and safety of our investors on the mainland but will also help ensure the continued healthy development of cross-strait economic relations," Huang noted.

He further said the Straits Exchange Foundation (SEF), a semi-official body founded by Taiwan to deal with cross-strait exchanges in the absence of official ties, has handled 168 cross-strait trade disputes since it was inaugurated in March 1991.

As many Taiwan businessmen have failed to report disputes to mainland or Taiwan authorities to save face or continue business operations, the actual number of robberies or other cross-strait trade disputes should far exceed the SEF figure, he said.

In addition to the chemical plant robbery, Huang said, two other Taiwan businessmen were also robbed and then killed in Shenzhen, Guangdong Province, last month.

Huang said local businessmen should take the mainland's deteriorating social order and lack of a sound legal system into consideration before launching investment projects there.

He also urged mainland-based Taiwan businessmen to strengthen contacts and pool their resources and energy to better protect their own interests, rights and safety.

#### President Li Urges More Exchanges With U.S.

OW1711025194 Taipei Voice of Free China in  
English 0200 GMT 16 Nov 94

[From the "News"]

[FBIS Transcribed Text] ROC [Republic of China] President Li Teng-hui Tuesday [15 November] thanked U.S. support in the ROC's bid to join the General Agreement

of Tariff and Trade or GATT. Li made the remark while receiving the delegation of the U.S. House of Representatives members at the presidential office. Li also told the U.S. congressmen that although the U.S. Government has made some positive changes to the relations between the two countries earlier this year, the ROC is looking forward to more friendly and positive adjustments to the U.S. policy toward Taiwan. During the meeting, Li asked the congressmen to gather first-hand information on Taiwan during their stay here. The president also urged more trade exchanges between the ROC and each state of the United States. He added: More frequent exchange visits will certainly enhance the understanding and cooperation between the two countries.

**U.S. Envoy on International Support for UN Bid**

OW1711093494 Taipei CNA in English 0709 GMT  
17 Nov 94

[By Bill Wang]

[FBIS Transcribed Text] Washington, Nov. 16 (CNA)—Taipei's envoy here said Wednesday [16 November] that next month's unprecedented elections for Taiwan governor and mayors of Taipei and Kaohsiung and the popular presidential election scheduled for 1996 clearly indicate that the Republic of China [ROC] on Taiwan is well on its way to full democracy.

Benjamin Lu told a luncheon for members of the North Atlantic Assembly that Taipei's democratic system, coupled with a market economy, presents a stark contrast to Beijing's totalitarian communist system with a economy mainly based on central planning.

Noting that China has been divided since 1949, Lu said that there are two distinct political entities coexisting on the two sides of the Taiwan strait.

Therefore, he said, UN General Assembly Resolution 2758, which seated Mainland China in 1971 in place of the Republic of China, a founding UN member and a permanent member of the UN Security Council, has left people on Taiwan unrepresented in the world body.

He said that Taipei, with achievements in various areas comparable to those of the United States and Europe, is ready to contribute to the international community with its considerable influence in the world economy and trade and to share its development experience with others.

He called on members of the assembly to support Taipei's efforts to participate in the United Nations, saying that UN membership is the common aspiration of both the government and people of the Republic of China.

He said that Taipei's participation in the United Nations will not have any adverse effects on China's eventual reunification. Instead, he added, Taipei's role in the

world body will be conducive to the prosperity and stability of the Asia-Pacific region and even the world as a whole.

Nearly 100 members of the assembly from some 20 countries attended the luncheon. The assembly, formed by parliamentarians from member countries of the NATO alliance, is currently holding its convention in Washington.

**Taipei Loses U.S., Japanese Market Share**

OW1711102994 Taipei CNA in English 0736 GMT  
17 Nov 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 17 (CNA)—Taiwan has fallen further behind Mainland China in export competitiveness in the Japanese and U.S. markets, the Mainland Affairs Council (MAC) said Thursday [17 November].

The council quoted tallies released by the Japanese Government as showing that Mainland Chinese products made up 9.15 percent of Japan's total imports in the first half of this year, 2.3 times that of Taiwan's share of the Japanese import market.

During the period, mainland exports to Japan posted a 32.2 percent annual growth rate, while Taiwan shipments to that country only rose 4.1 percent from the year-earlier level, according to MAC statistics.

Although Taiwan's growth rate was the highest for the past three years, its share of the Japanese market dropped to a four-year low of 3.97 percent during the January-June period.

MAC officials said Taiwan's competitiveness in the U.S. market had also dulled. Although Taiwan managed to register a 5.6 percent rise in sales to America between January and June, its U.S. market share slid to 4.07 percent, the lowest since 1986.

During the same period, Mainland China's share of U.S. imports climbed to 5.31 percent, even though its export growth rate dropped from 1993's 23.2 percent to 21.2 percent for the January-June period.

Chen Ming-chang, a MAC department director, said the decline in Taiwan's Japanese and U.S. market shares reflects the plight of local industries following an exodus of many labor-intensive companies to the mainland.

"Huge Taiwan investments on the mainland have helped boost mainland exports to Japan and the U.S., which used to be Taiwan's main export outlets," Chen observed.

He regretted that local companies have apparently failed to keep their business roots in Taiwan and failed to develop a sound cross-strait division of labor system while making investments on the mainland. As a result, Chen said, mainland-based Taiwan plants produce

goods similar to those manufactured here, thus fueling keen cross-strait competition in overseas markets.

As Taiwan has added many new fields for its businessmen to invest on the mainland, Chen said, competition between Taiwan and mainland products will become even fiercer in the years ahead.

#### U.S. Agrees to Talks on Wildlife Sanctions

OW1711093294 Taipei CNA in English 0724 GMT  
17 Nov 94

[By Danielle Yang]

[FBIS Transcribed Text] Ft. Lauderdale, Florida, Nov. 16 (CNA)—The United States and Taiwan will hold bilateral consultations before the year's end to review trade sanctions imposed on Taiwan in April for alleged trade in endangered species products, the Society for Wildlife and Nature International (SWAN) said Wednesday [16 November].

A SWAN spokesman said that the organization learned of the plan Wednesday during a Convention on International Trade in Endangered Species (CITES) meeting in Ft. Lauderdale, Florida.

The U.S. has agreed to allow a Taiwan delegation to visit the U.S. in December for the consultations and a timetable will be set after SWAN delegates return from Florida to Taipei, the spokesman said.

U.S. Interior Secretary Bruce Babbitt said he agreed to the discussions, adding that the U.S. will also consult the CITES Secretariat and Standing Committee before any decision on the sanctions is made.

President Bill Clinton announced trade sanctions against Taiwan in April for its alleged failure to wipe out illicit trade in rhino horn and tiger bone. The sanctions took effect on Aug. 19 and prohibited imports of certain wildlife products from Taiwan. The sanctions cost Taiwan an estimated U.S.\$20 million.

#### 'Southern' Investment Strategy To Be Expanded

OW1611133594 Taipei CNA in English 0733 GMT  
16 Nov 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 16 (CNA)—The Republic of China [ROC] will expand its "Southern Strategy," embarked upon late last year to encourage Taiwan investment in Southeast Asia, to South Asia and even as far as Australia, the Ministry of Economic Affairs said Wednesday [16 November].

The "Southern Strategy," which successfully boosted Taiwan's trade relations with Southeast Asia and created trade opportunities for Taiwan businesses, will be further expanded to cover Myanmar [Burma], Bangladesh, Pakistan, India, Cambodia and Laos, ministry officials said.

Cambodia will soon exchange trade offices with Taiwan to foster closer ties, while discussions on establishment of a Taiwan office in Myanmar are underway, the officials noted.

Meanwhile, officials from the Board of Foreign Trade suggested that the policy include Australia, a country from which Taiwan could absorb industrial technologies.

Large-scale Taiwan trade missions will begin visiting south Asian countries next year, ministry officials said.

#### Economy Expected To Grow 6.2 Percent in 1995

OW1711102694 Taipei CNA in English 0750 GMT  
17 Nov 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Nov. 17 (CNA)—Taiwan's economy is expected to grow 6.2 percent next year, according to a report released by the Council for Economic Planning and Development (CEPD) Thursday [17 November].

In its report on 1995 national construction planning and overall economic targets, the CEPD said that the target ceiling for consumer price index growth will be 3.7 percent and the gross national product (GNP) will increase 8.6 percent with per capita GNP reaching US\$12,231 by 1995. Per capita GNP is expected to hit US\$11,296 in 1994.

Taiwan's jobless rate is expected to remain stable at 1.6 percent and the employment rate will grow 2.1 percent, the report said. Government expenditures will continue to rise, it added.

The service industry is targeted to grow 6.8 percent and the manufacturing industry will grow 5.7 percent, the report said.

Real growth for merchandise and service exports and imports is set at 6.6:34:3.5 - .5 6.7 percent respectively [figures as received], and merchandise and service trade surplus will grow from 1994's US\$3.4 billion to 1995's US\$3.6 billion, the report indicated.

The government's fixed investment is expected to grow 10 percent and nominal investment growth for public enterprises is set to decrease 2.5 percent, the report said.

The CEPD pointed out that global trade is expected to continue expanding, growing 3.7 percent next year, and industrialized nations will post 2.8 percent growth in 1995.

However, the CEPD predicted Taiwan's import growth will be faster than export growth and its trade surplus will continue to decline in 1995 due to tariff adjustments made to gain membership in the General Agreement on Tariffs and Trade.

Meanwhile, the CEPD report said expanding domestic demand will fuel economic growth and the government

will encourage civilian investment in major construction projects as well as improve the local investment climate.

On public expenditures, the government will keep pushing social welfare and national health insurance policies, the report concluded.

**Air Service Accord With South Africa Revised**

*OW1711102894 Taipei CNA in English 0758 GMT  
17 Nov 94*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Nov. 17 (CNA)—The bilateral air service agreement between the Republic of China [ROC] and the Republic of South Africa has been

revised, a Civil Aeronautics Administration (CAA) official said Thursday [17 November].

The revisions took place during two days of consultations held at CAA. Under the revisions, ROC flag carrier China Airlines (CAL) and South African Airways will each add one weekly, cargo-only flight starting January 1995, the official said.

South Africa also agreed to let CAL use Singapore as a transfer point instead of Jakarta, Tsai said.

Currently, CAL and South African Airways each operate six passenger flights weekly, with a permitted cargo of 24 metric tons, the official said.

## Hong Kong

### Zhou Nan Confident of Smooth Transition

OW1711012994 Beijing XINHUA in English 0111  
GMT 17 Nov 94

[FBIS Transcribed Text] Hong Kong, November 17 (XINHUA)—Zhou Nan, director of XINHUA News Agency Hong Kong Branch, has stressed that the implementation of "one country, two systems" concept will foster even closer economic ties that are mutually complementary to Hong Kong and the Chinese Mainland.

Speaking at the annual fellowship dinner of the Hong Kong Management Association here Wednesday, Zhou said, "I am fully confident that Hong Kong will achieve a smooth transition in 1997. But it does not mean that there will be no obstacles in our way."

"We still need to face squarely the challenges that are confronting us today," he said.

Terming stability and prosperity of Hong Kong as the two principal objectives of all China's efforts, Zhou stressed that stability is the prerequisite of prosperity.

He warned against any illicit change of the executive-led political system outlined in the basic law of Hong Kong Special Administrative Region (SAR) into a legislative-led system, and an random change of the time-tested and effective administrative mechanism and relevant laws and regulations of Hong Kong.

Such changes in the transition period would do major damage to the maintenance of Hong Kong's stability, he said.

On the prospects of the territory's economic development, Zhou said that there are two principal ingredients in Hong Kong's continued prosperity: China's fast economic growth and Hong Kong's unique economic structure.

China's economic growth, which has been fueling Hong Kong's economy, is becoming an increasingly significant factor, and in some segments, even the most significant factor, in Hong Kong's economy, the director said.

Over the past 15 years, Hong Kong's trade with the mainland increased 40 times, from 2.3 billion U.S. dollars to almost 100 billion U.S. dollars per year.

A recent research indicated that China's estimated total cumulative import would reach 1,000 billion U.S. dollars in the seven years leading to the year 2000.

According to some estimates, Hong Kong's economy is currently deriving about one eighth of its GDP from the mainland trade.

Another significant and ever growing "China factor" in Hong Kong's economic development is investments, both direct investments and financial investments.

China's utilization of foreign capital reached 27 billion U.S. dollars in 1993, with Hong Kong being a major player in mainland investments, both as an investor and an intermediary.

And Hong Kong has been able to benefit both from good returns on investment capital, and from high value-added professional financial services.

For Hong Kong's economy, the "China factor" is a positive factor that can not be removed or replaced, Zhou Nan said, adding that no one can stop China's economic ascendancy, or move Hong Kong to a place far away from China.

However, he noted, there is a possibility that another key element in Hong Kong economic success, namely, its economic structure, might be changed on purpose.

"We are seeing disconcerting signs of attempted changes, proposed in the name of lofty causes. These will definitely bring serious negative impact on the future of Hong Kong," the Chinese official said.

He pointed out that the most prominent and unique characteristics of Hong Kong is free-market orientation and the SAR Basic Law preserves Hong Kong's status as an international financial center.

He described the peg of the Hong Kong dollar to the U.S. dollar as "essential" to the territory's financial stability and said the peg should not be abandoned during the transition period.

Zhou also voiced his objection to the tendency of drastically expanding budgetary deficits and over-committing on benefit payments and other expenditures in the transition period.

Among the over 800 executives attending the event Wednesday, there were about 200 graduates of the diploma in management studies who were presented with certificates.

On behalf of the association, Zhou Nan presented fellowships and charger membership to four business leaders and seven companies who have distinguished themselves in the management field in Hong Kong.

### Zhou Nan on Hong Kong's Economy, Welfarism

HK1611144994 Beijing ZHONGGUO XINWEN  
SHE in English 1355 GMT 16 Nov 94

[Speech by Zhou Nan, director of XINHUA News Agency Hong Kong Branch, at annual fellowship dinner of the Hong Kong Management Association (HKMA) in Hong Kong on 16 November 1994: "The Importance of Maintaining HK's Economic System—Speech by Director Zhou Nan at HKMA Annual Fellowship Dinner"]

[FBIS Transcribed Text] Hong Kong, November 16 (CNS)—Mr. Chairman, Ladies and Gentlemen:

First of all, I would like to thank Dr. David K.P. Li, Chairman of the Hongkong Management Association, for his invitation which gives me the opportunity to exchange views with this distinguished group of Hongkong business leaders.

In less than a thousand days, Hongkong will return to China as a Special Administrative Region of the People's Republic of China. The first day of July 1997 will open a new chapter in Hongkong's history. All members of the Chinese nation, and many people worldwide are looking forward to this day with excitement. I have been told that many of the big hotels in Hongkong have been booked solid for that particular day. People want to witness the historical moment, when Deng Xiaoping's ingenious concept of "one country, two systems" will be put into practice, and Hongkong's capitalist economy, freed of its colonial yoke and fuelled by the economic boom in China, will undergo even more vigorous growth.

I am fully confident that Hongkong will achieve a smooth transition in 1997. But it does not mean that there will be no obstacles in our way. We still need to face squarely the challenges that are confronting us today.

The two principal objectives of all our efforts are Hongkong's stability and prosperity. And stability is the prerequisite of prosperity.

To ensure smooth transition of power, the Standing Committee of the Chinese National people's Congress in September this year made a unanimous decision and announced that upon June 30th 1997, the three-tier political structure set up unilaterally by the colonial government will cease to exist, and will be replaced by a structure of the SAR organized in full compliance with the Joint Declaration, the Basic Law and other relevant resolutions of the National People's Congress.

This key decision is instrumental in reducing the uncertainties over Hongkong's future political structure, and in defeating the efforts to destabilize Hongkong's political transition.

Of course, we should also try to prevent any illicit change of the executive-led political system outlined in the Basic Law into a legislative-led system, and also try to prevent the time-tested and effective administrative mechanism and relevant laws and regulations of Hongkong from being changed randomly. All such changes in the transition period would do major damage to the maintenance of Hongkong's stability.

Ladies and gentlemen,

Matters of prosperity, namely the prospects of Hongkong's economic development, are beginning to figure more prominently as Hongkong's countdown continues. I would like to dwell on this subject in greater length.

There are two principal ingredients in Hongkong's continued prosperity: China's fast economic growth, and Hongkong's unique economic structure.

Since the implementation of the policies of reform and opening-up initiated by Mr. Deng Xiaoping in 1978, the speed of China's economic growth has been staggering, at an average annual rate of nearly 9.3 percent. From 1991 to 1994 China's GDP growth has for three consecutive years surpassed 10 percent. As for inflation, strong measures have been taken by the Government that will lead to a soft landing. China's economy, according to a study sponsored by China's Academy of Social Sciences, is projected to maintain an average annual growth rate of 8-9 percent over the next 30 years, which is extraordinary for a country of China's size and complexity.

Despite the cumulative growth in the past 15 years, China is still a developing country, and an "emerging market" in every sense of the term. Against this background, the basic laws of economy will provide strong impetus to a high level of capital investment, high returns, and high intensity of economic activity. China's economy is not maturing for a long time to come, and there will continue to be strong growth potentials. China's economic growth has been fuelling Hongkong's economy. It is becoming an increasingly significant factor, and in some segments, even the most significant factor, in Hongkong's economy.

Over the past 15 years, Hongkong's trade with the mainland increased 40 times, from 2.3 billion US dollars to almost 100 billion US Dollars per year. This trend is continuing. A recent research indicated that China's estimated total cumulative import would reach 1,000 billion US dollars in the seven years leading to the year 2000. Such a large trading base and rapid growth will undoubtedly contribute strongly to Hongkong's economy, which, according to some estimates, is currently deriving about 1/4 of its GDP from the mainland trade.

Another significant and ever growing "China factor" in Hongkong's economic development is investments, both direct investments and financial investments. China's utilization of foreign capital reached 27 billion US dollars in 1993, which according to a renowned American economist, represented the single largest transfer of capital in the entire human history. China's industrialization will require hundreds of billions of dollars of foreign capital invested in infrastructure, agriculture and key industrial sectors, providing critically needed money for its economic modernization and at the same time providing healthy returns to foreign investors. Hongkong has been a major player in mainland investments, both as an investor, and as an intermediary. Hongkong has been able to benefit both from good returns on investment capital, and from high value-added professional financial services.

China's rapid modernization, and the intensifying economic interdependence between Hongkong and the mainland, will prove to be the single most important element in Hongkong's economy in the forthcoming years. Either as a principal or as an intermediary, Hongkong will derive a greater part of its prosperity from

China's rise as one of the world's leading economic powers. There are reasons to believe that the implementation of "one country, two systems" concept will foster even closer economic ties that are mutually complementary to Hongkong and the mainland.

Ladies and gentlemen,

For Hongkong's economy, the "China factor" is a positive factor that cannot be removed or replaced. No one can stop China's economic ascendancy, or move Hongkong to a place far away from China. However, there is the possibility that another key element in Hongkong's economic success, namely, its economic structure, might be changed on purpose. In my view, it will be ill advised for any one to attempt this for the sake of one's own political positioning.

Hongkong's economic system has some unique characteristics. The most prominent one is its strong free-market orientation. Based on a clear understanding that the current economic system is essential to Hongkong's long-term prosperity and development, the Chinese government stressed in the Joint Declaration as its basic policy that "Hongkong's previous capitalist system shall remain unchanged". These policies have later been clarified and codified in the Basic Law.

The Basic Law, for instance, preserves Hongkong's free-port status with unrestricted trading. This will require a high degree of openness, competitiveness and transparency, discriminating against no country and favouring no country, in trading, financial services and government contracts.

The Basic Law preserves Hongkong's status as an international financial centre. The free flow of capital within, into and out of the Region shall be safeguarded.

The Basic Law requires that the SAR government maintain the stability of the currency. The Hongkong dollar is now pegged to the US dollar, and an exchange fund has been set up to maintain the peg. This peg has been essential to Hongkong's financial stability, and should not be abandoned during the transition period.

We are seeing disconcerting signs of attempted changes, proposed in the name of lofty causes. These will definitely bring serious negative impact on the future of Hongkong.

Hongkong, as we know, has been practising a successful policy of low taxes and balanced budget. Instead of the government getting in the business of redistributing wealth on a massive scale, as is the case in a few European welfare states, Hongkong's wealth has resided with the people. The high level of liquidity and investment capital by the private sector constitutes one of the trademarks of Hongkong's capitalism. In recognition of this unique characteristic, the Basic law requires that the future government of Hongkong "to take the low tax policy previously pursued in Hongkong as reference" in enacting laws on matters of taxation, and "follow the

principle of keeping expenditure within the limits of revenue in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product."

However, this will not be possible if we drastically expand budgetary deficits and over-commit ourselves with regard to benefit payments and other expenditures in the transition period.

As early as 1984, when receiving Sir Geoffrey Howe on the eve of the signing of the Joint Declaration, Mr. Deng Xiaoping enumerated five aspects that in his opinion would destabilize the transition and should be prevented. Four out of the five have to do with economic issues. Of these, three have to do with the Hongkong Government's fiscal responsibility during the transition period.

It is true that Hongkong needs new infrastructure projects, and the poor and the old should be taken care of. But in tackling these problems, every accountable government should also take into consideration the question of cost, the cost to tax-payers, the cost to budgetary balance, and the cost to Hongkong's overall economic structure and its free market orientation.

During the transition period, we should be careful and should not casually transplant a costly Euro-socialist pay-as-you-go concept to Hongkong without prudently taking into consideration similar Western programs' long-standing track record of grossly under-estimating liabilities and grossly overestimating funding projections. A World Bank report on pension systems, released in September this year, offers a sobering commentary of the crisis the world is facing for failing to fully fund its pension liabilities. The World Bank's statistics and analysis are not irrelevant to Hongkong's situation.

I still remember dining in a Chinese restaurant in New York many years ago, when I was serving as envoy to the United Nations. After dinner, the waiter served fortune cookies, and the message that I got read: "The person sitting right next to you isn't going to pay for his meal". This American-made practical joke has adopted an ironic sense of reality in today's Hongkong.

Drastically expanded benefit payments and benefit commitments are being offered in the disguise of a "free meal". The departing colonial authorities are not going to foot the bill. The tax payers of Hongkong will. All the "beneficiaries" will see money being shifted from one pocket into another, with a government bureaucracy serving as a value-subtracted intermediary.

Antonio, the merchant of Venice, borrowed beyond his means-also for good purposes. According to contract terms, he would either have to repay the loan with an exorbitant interest, or allow the loan shark to cut a pound of flesh off his chest. The price of the future SAR government being forced to live beyond its means would

be budgetary imbalance, tax hikes, reduced financial market liquidity which will result in eroded foreign investors' confidence. This indebtedness could very well be a pound of committed flesh so close to Hongkong's heart, that its removal would be mortal to Hongkong's financial future. If that happened, I am afraid that there won't be a Portia to save Antonio.

We must watch very closely every spending move made by the authorities, either in cash or in terms of commitments. Hongkong's future will depend on our vigilance and our perception, and most of all, on our desire and ability to uphold the Basic Law.

I believe that all those who genuinely care about Hongkong's prosperity and stability have expressed their concerns. They are of the opinion that one should thoroughly explore all alternatives before considering a massive spending package. Hongkong's successful free-market orientation and its business environment should be preserved. An accountable government, in my view, should give such considerations a high priority.

Ladies and gentlemen,

A valuable asset of Hongkong's successful economy is its highly skilled, experienced, creative business people, many of whom are sitting in the audience today. You have made many tough decisions, investing your talents, your money and your confidence in Hongkong's future. Hongkong's success has been your success. Hongkong's future prosperity will continue to rely on your professionalism and your managerial expertise. I am confident that with such world-class local talents running Hongkong's economic affairs after 1997, Hongkong will remain a world-class success story!

Your talents will also be put into full play in China's building of a socialist market economic system. Mr. Deng Xiaoping indicated in 1992 that socialist China "must boldly absorb from all accomplishments of civilization created by the human society, and must absorb and draw upon the advanced operational modes and management methods from all countries in the modern world including the developed capitalist countries." Through your trading activities and investments in the mainland, and managerial exchanges and training programs, you will be able to bring necessary scientific management perspectives and skills to China's economic development. This will, I hope, be rewarding to your future development.

Ladies and gentlemen,

We firmly believe that Hongkong will become more prosperous and stable after 1997 and will provide plenty of opportunities for those who aspire to fulfill their ambitions.

Please allow me to conclude this speech by quoting from Zu Yong, a Tang poet: "With new wings of vigor we will

strive, to ride the wind of spring soon to arrive." Let's seize the opportunity and get ready for new accomplishments.

Thank you.

#### Chief Justice on Establishment of Appeal Court

HK1411071094 Hong Kong HONGKONG  
STANDARD in English 14 Nov 94 p 3

[By Neil Colclough and Laura Chan in Beijing]

[FBIS Transcribed Text] Hong Kong's highest judge has called for the Court of Final Appeal (CFA) to be set up as soon as possible saying it would need at least a year to overcome "teething problems." But Chinese officials here appear to think the chances of establishing the court before 1997 are minimal.

A Beijing-appointed Preliminary Working Committee member also said the CFA draft bill was not in line with the Basic Law.

Although Chief Justice Sir Ti Liang Yang said he hoped the CFA would be set up by 1996—the government's current aim—the late date was "cutting it fine" to have it properly running by 1997.

"What you need to do of course is for the Court of Final Appeal to be set up and to be functioning so that it could gain confidence in itself and credibility from other people," Sir Ti Liang said yesterday. "There is bound to be some teething problem... when the Court of Final Appeal is first set up and that is why we need a good lead time."

The PWC member, who did not wish to be named, said the draft bill did not state that the court's chief justice should be a Chinese citizen who was a permanent resident of the Special Administrative Region with no right of abode in any foreign country. He was also dissatisfied that the bill gives Governor Chris Patten authority to appoint the chief justice when the Basic Law assigns that duty to the chief executive. Thirdly, the PWC source said the bill did not direct that any removal or appointment of judges should be reported to the Standing Committee of China's National People's Congress.

The government's controversial draft CFA bill is presently the subject of hot debate, with legislators and members of the legal profession claiming it contravenes article 82 of the Basic Law.

Drawn up by the Joint Liaison Group (JLG) in 1991, the draft bill stipulates that the ratio of local and overseas judges appointed to the court should be fixed at four to one.

Article 82 of the Basic Law states that the court "may as required invite judges from other Common Law jurisdictions to sit on the CFA".

While some legislators have said they will move to amend the draft bill when it reaches the Legislative Council [Legco], China has threatened to abolish any Court of Final Appeal after 1997 if it did not conform to the 1991 JLG agreement.

Sir Ti Liang said that if and when a CFA bill was passed by Legco it was only the start of the process. "It does not mean that when the legislation is passed we shall necessarily have the Court of Final Appeal immediately because you still need to go overseas and invite the judges," he said. "And they have a listing problem—a waiting time problem—as well and I expect that they would need about a year's notice before they could come."

The government aims to set up the CFA by 1996 to replace the role of Britain's Privy Council as the highest court of appeal. The government hopes to persuade legal professionals to support the bill—despite the fact that the 1991 JLG agreement was widely rejected in legal circles.

"We intend to extensively canvas our members' opinions, their preferences whether they would like to have a Court of Final Appeal set out this side of 1997 or not," Law Society president Roderick Woo said. "Our view initially is that if we set up a Court of Final Appeal this side of 1997 and there is no assurance from the Chinese Government that (it) will survive 1997 then I think that a lot of effort and time spent will be wasted."

China has warned it would establish another court if Legco amended the draft bill to change the court composition agreed upon in the JLG.

#### **Commission Reaches Pact on Airport Land Grant**

OW1711100594 Beijing XINHUA in English 0937  
GMT 17 Nov 94

[FBIS Transcribed Text] Hong Kong, November 17 (XINHUA)—The 29th meeting of the Sino-British Land Commission was held here today with a conclusion of an agreed minute on the arrangement for land required for the new airport projects in Hong Kong.

The two sides agreed to adjust the 1994-95 land disposal program to provide, in the special requirements category, some 1,248 hectares for the new airport and 30 hectares for the airport railway depot.

The commission agreed to grant, in the normal requirements category, about 7.52 hectares of land for the associated property developments at Tai Kok Tsui and Tung Chung Airport railway stations and 7.94 hectares of land for the home ownership scheme and the sandwich class housing scheme.

According to the meeting, the annual land disposal programs will be formulated to the actual needs of the associated property developments at the airport railway stations and the prevailing supply and demand conditions in the property market at the time.

The two sides agreed that the average cost of land production for 1993-94 will be 4,428 HK dollars (about 567 U.S. dollars) per square meter and the average cost of land production for 1994-95 will be 4,754 HK dollars (about 609 U.S. dollars) per square meter.

At a news briefing after the meeting, Chen Rongchun, Chinese senior representative of the commission, said that the agreed minute reflects the Chinese side's efforts and concern for the economic development and people's life in Hong Kong.

He said that he expects the British side to abide by the agreement so that the new airport project will be undertaken smoothly.

#### **Government Criticized on Naval Base Bid**

HK1711014394 Hong Kong TA KUNG PAO in Chinese 11 Nov 94 p 11

[Report: "Hong Kong Government Rejects Better Contract for Construction of Stonecutters Naval Base"]

[FBIS Translated Text] At the end of last month, the Hong Kong Government hurriedly awarded the contract for building the Stonecutters Naval Base to Gammon Construction Ltd, a Jardines subsidiary. It is learned that when appraising the seven tendering companies, the relevant authority did not provide the Chinese side with details of the tendering by various groups. This newspaper has learned that although the bid by Gammon Construction Ltd, which was awarded the contract, was the lowest among the tenders according to the tender scheme designated by the Hong Kong Government, it was only HK\$7.5 million lower than the second lowest bidder. However, the latter voluntarily submitted a replacement plan, proposing to replace the high-stake pier design designated by the tender document with a gravity type pier design. The replacement plan is superior to the original both in speed of construction and cost. Moreover, some HK\$4.8 million can be saved in construction funds. But this proposal was not accepted.

The Hong Kong Government invited tenders in mid-September for the building of Stonecutters Naval Base. According to the contract, a new naval base with a berthing capacity basically the same as the Tamar Base will be built on the southern coast of Stonecutters Island. The project includes construction of a harbor pool of 400-by-400 meters and a berthing pier. Unlike the Tamar Base, there is no protective screen for the southern coast of Stonecutters Island. Thus, water conditions here are different from those of the Tamar Base, and vessels will be unable to berth outside the new harbor pool. They can only berth at the three-sided walls within the pool. According to the contract, the period for construction is 822 days, and construction will be completed at the beginning of 1997.

By 7 October, the closing date of the tender, seven financial groups had submitted bids to the relevant authority. It is learned that the offers made by various

groups are as follows: 1) Gammon Construction Ltd (HK\$790 million); 2) Kumagai Gumi (Hong Kong) Ltd (HK\$797 million); 3) China State Construction Engineering Corporation (HK\$818 million); 4) Shui On Group Ltd (HK\$850 million); 5) Leighton Engineering Ltd and a Dutch company (HK\$874 million); 6) China Harbors Engineering and Nishimatsu Construction (HK\$887 million); and 7) French (Jun Hai), [Jun hai 3449 3189] (HK\$930 million). As a result, after only about two weeks' examination and appraisal, the Hong Kong Government informed Gammon Construction Ltd through internal channels that it had won the tender. A contract was immediately signed on 27 October and construction was started at the beginning of November.

The building of a naval base is different from a contract for building ordinary projects. Besides the high sensitivity, there are also stricter demands on project design and construction quality. An engineering expert familiar with pier design told reporters that the design designated by the Hong Kong Government, that is, to build high-stake piers for the naval base, has certain problems with respect to military security and durability. People of the same trade pointed out: Container Terminals No. 1 to No. 5 in Kwai Chung are all using high-stake piers. But the gap between the main pier and the pile-up walls can easily be damaged by the pressure of huge berthing vessels, resulting in the sinking of the pile-up walls. Thus, it is necessary to spend large sums of money on their regular maintenance.

According to an analysis by the engineering expert, it seems that the design designated by the Hong Kong Government in the tender is similar to the previous high-stake pier design. The Hong Kong Government has failed to learn a lesson from the past and has not left leeway between the main pier and the pile-up walls to offset the pressure. If the project is built according to this design, the past mistake may be repeated.

Moreover, the gate of the naval base's harbor pool faces the main channels of Victoria Harbor and, according to the high-stake pier design, the structure of the main pier is formed by the stakes, which have gaps in between and are not closed. If someone wants to demolish it, he can easily go through the stakes, dive to the bottom of the pier, and place explosives there. At the same time, through advanced sound ranging devices, the transfer of warships can be monitored. This is a major security defect.

As to the proposal made by another financial group on replacing the high-stake pier design with a gravity type pier design, the engineering expert believed that this is a rational design plan. In addition, this design is popular and its technology is easy to learn. Moreover, because the seabed of the Stonecutters Naval Base is shallow with many crushed stones, it is not a good place for driving

stakes. Therefore, the gravity type pier design is technologically workable, money-saving, and better for an earlier completion. Moreover, as it is a sealed-up pier design, it can remedy the defect of the high-stake design with respect to security.

It is learned that when submitting its design scheme according to the tender, the financial group, which proposed the replacement scheme, also attached a document to introduce the advantages of the gravity type pier design and provide the relevant data of the replacement scheme, including the stability of the pier structure, the sliding coefficient, and the pressure borne by the bottom. At the same time it stressed that if this scheme is adopted, the period of construction can be reduced by half a year. However, in less than one week's time, it was rejected by the authorities. The reason is that the authorities had insufficient time to study the feasibility of the replacement scheme and no longer want to rely on a cement design.

#### PLA May Seek To Monitor Construction

HK1711084994 Hong Kong HONGKONG  
STANDARD in English 17 Nov 94 p 1

[By Staff Reporters]

[FBIS Transcribed Text] The People's Liberation Army (PLA) may ask to be allowed to monitor the building of its new naval base on Stonecutters Island based on fears that its construction by a British company could pose a security risk after 1997.

"According to the agreement reached by both sides the British Hong Kong government will handle the construction, and now a British company has been chosen to do the work. Under such circumstances, we may request to monitor the whole process of construction," a PLA source from Beijing said yesterday.

TA KUNG PAO, a China-backed daily in Hong Kong, last Friday published full details of all bids for the construction of the naval base. Gammon Construction, a subsidiary of Jardine, won the bid with \$790 million, just \$7.5 million less than the second-placed bid by Kumagai Gumi (HK), the daily said.

Some observers in Hong Kong said that because the Japanese company had kept close business relations with China and the PLA, the Chinese military had hoped Kumagai Gumi would win the contract. They said the PLA might distrust Jardine, which has been singled out for criticism by the Chinese side during a number of Sino-British rows.

The PLA source said: "In the Cold War era, the American entrusted the Russians to build the US Embassy in Moscow. It was fully bugged and the Americans had to blow it up completely and rebuild a new one. The Americans did the same thing to the Russians, too."

But he said this did not mean they believed the British would do the same thing on the Stonecutters Island naval base.

"This base will be a small one with less military significance for the PLA," the source said. "But since it will be used as a military base for the PLA after 1997, we need to be cautious." He said that out of such considerations, the PLA would like to be informed of details in each step of the process—from the design to the finished buildings.

"We have the right to know more and all details because it will be a our base of ours," the source said.

Asked why the PLA could not wait until 1997 and build the base itself, he said the force should be deployed as soon as China took over the sovereignty of Hong Kong. The source declined to be drawn into detailed discussions about whether PLA experts were involved in the base's design.

Secretary for Works James Blake earlier said PLA experts had insisted on a special design to reduce the size of waves inside the sea-wall bases.

"The bid from Gammon which conforms to the special design was the lowest conforming bid and therefore it was accepted," Mr Blake said.

The PLA source declined to make a comparison between the bids from Gammon and Kumagai Gumi.

#### **Official Views 'Need' To Fix Number of Mainland Workers**

HK1611141094 Beijing ZHONGGUO XINWEN  
SHE in English 1258 GMT 16 Nov 94

[FBIS Transcribed Text] Beijing, November 16 (CNS)—The Deputy Director of the Hong Kong and Macao Affairs Office under the State Council Mr. Wang Fengchao briefed the visiting Hong Kong Institution of Engineers on consensus reached by the cultural subgroup of the Preliminary Working Committee regarding academic attainments and expressed his opinion on mutual recognition between Hong Kong and the Mainland on certain professional qualification.

Mr. Wang said that policies on the system for academic degrees as well as on recognition of academic attainments at a time after 1997 should be up to the Special Administrative Region (SAR) government for a final decision. He said that it was not justified for extension of the long term practice in which academic attainments acquired in Britain or in other Commonwealth countries had long been recognized automatically in Hong Kong. The Chinese official, however, said that academic attainments already recognized in Hong Kong before 1997 should enjoy the continuous recognition no matter such attainment were acquired from whatever countries. The principle of judging by competence and equality should be respected and various kinds of academic attainments regardless of their place of origin from the Mainland, Hong Kong, Macao, Taiwan, Britain or from other

countries have to be screened by the SAR accreditation body. The current appraisal practice available in the Mainland can be referred to by the body. As for academic degrees conferred by universities from elsewhere outside Hong Kong, they have to be appraised by the SAR government in accordance with its actual situation for a final decision on recognition.

Touching on the misunderstanding that academic attainments were connected with professional qualification and employment qualification, Mr. Wang made it clear that academic attainments were different from professional qualification even though they bore link to some extent. He added that recognition of academic attainments did not amount to the grant of employment qualification. The Chinese official cited the Article 142 of the Basic Law as saying that the SAR government continued to recognize those professions and professional groups which had already been recognized in the territory before establishment of the SAR government. These groups are entitled to set up their own accreditation mechanism and grant professional qualification on their own. Based on maintenance of the original professional system, the SAR government will formulate its own methods for appraisal of various kinds of professions for approval of employment qualification. Appraisal of professional qualification as well as of employment qualification should be carried out in accordance with the above mentioned rules. In response to worries shown by Hong Kong people about this matter, Mr. Wang said that employment of Mainland professional personnel in Hong Kong after 1997 would mainly be up to the actual needs of the territory which should be beneficial to economic development and stability of Hong Kong. He stressed that Mainland professional personnel would never deprive Hong Kong people of their job opportunity.

Mr. Wang said that as economic and trade relations between the Mainland and Hong Kong came closer, mutual recognition between the two place on some particular professions suited the actual needs. He said such recognition provided convenience for employment of professional personnel in the two places. Apart from the problem of what criterion should be observed, Mr. Wang noted that solution to such matter should lay in mutual benefit and interests. He added that the two sides showed such intention and reluctance should be prevented in a bid to avoid worries by Hong Kong people about this matter.

#### **Council Bans Mainland Sales of MING PAO**

OW1711083794 Tokyo ASAHI SHIMBUN in  
Japanese 16 Nov 94 Morning Edition p 9

[By Yoshihito Horie: "MING PAO Subscription Banned"]

[FBIS Translated Text] Beijing, 15 Nov—The PRC Press and Publications Administration [PPA], which controls newspapers and other publications in China,

has taken measures designed to ban sales of MING PAO, a neutral Hong Kong newspaper, in China. The PPA revealed its action on 15 November.

A State Council official said the reason for the ban was the newspaper's "strong political leanings in recent reports, which have produced a negative effect."

China placed Xi Yang (38) of the same paper under restraint in September last year for allegedly violating the State Security Law, saying that he "stole state financial secrets." He was sentenced to a 12-year prison term in March this year and is currently serving that sentence.

MING PAO launched a campaign to win his release and strongly protested to Chinese authorities against the decision.

There are 30 Hong Kong newspapers that can be bought on Mainland China. This number will grow to 36 next year. The ban, however, applies only to MING PAO.

#### Article Attacks ATV Program

HK1711080294 Hong Kong TA KUNG PAO in Chinese 26 Oct 94 p 6

[By Pi Lu-chi (3968 7627 6688): A Ridiculous Farce—How Can 'Talk of the Town' Not Get High Ratings?]

[FBIS Translated Text] ATV has a program called "Talk of the Town." Both its honored hosts, Wong Yuk-man and Cheng King-hon, have been saying repeatedly that it is a high-ratings program. This author has never doubted it is true because this program gives a ridiculous one-hour farce once a week, and there are many Hong Kong residents who enjoy watching a farce. How could the ratings of this program be low?

Before talking about the farce of the "Talk of the Town," we would like to start with the two honored hosts. Judging from what we have seen from the TV screen, both Wong Yuk-man and Cheng King-hon are rude and arbitrary persons. They look "stupid" and do not have a sense of prudence. They have always shown impatience when the honored guests who are invited to join to the program to speak. The guest speakers are often interrupted by Wong and Cheng before they can say a few more words (not to mention airing their views). Then the latter talk on and on, in a flow of eloquence, about their own views. On such occasions, under the high-handed atmosphere created by Wong and Cheng, the guest speakers cannot but treat it with a forced smile, even though they feel greatly embarrassed and dissatisfied. The reason is that the honored guests of the "Talk of the Town" are usually well-known figures in society, and they cannot follow Wong and Cheng's example and act in the same shameless way in front of the audience.

Why do Wong and Cheng often interrupt the honored guests when the latter give their views? According to my frequent observations, the main reason is that they want to peddle their own views and do not allow "different

views" to broadcast via the TV screen. As far as I can remember, typical example is: Once when Sit Fung-suen joined a discussion on matters concerning the transfer of power to the "Hong Kong Special Administrative Region" in 1997, as the crucial point was reached, he naturally mentioned the Basic Law and the Hong Kong Government's reserves for the special region. However, just when he was about to discuss these crucial points, Cheng King-hon interrupted him and changed the topic of discussion by asking him furiously why he did not have faith in the Hong Kong Government on the issue of financing for the new airport, and whether he had been appointed by the Chinese Government as Hong Kong affairs adviser because of his opposition to the Hong Kong Government. In short, Cheng strayed far from the point, and almost resorted to a personal attack—to the neglect of the main topic for discussion. As a scholar, how could Sit Fung-suen join such a senseless dispute, just like a shrew shouting abuse in the street? In such an embarrassing situation, what could he say, if not to treat it with a forced smile?

This mental state of finding pleasure in satirizing the honored guests is precisely the characteristic of the two hosts of the "Talk of the Town." Their mischievous practices, which are beyond the duty of program emcees and are almost out of all reason, have never been seen in any other TV program. For this reason, the practice of a shrew shouting abuse in the street, the practice of finding pleasure in satirizing other people, and other extremely mischievous practices have become the most attractive things about the "Talk of the Town." Thus it is not strange that some residents who are fond of enlivening their lives by watching farces and have learned that "Talk of the Town" is so 'unny and ridiculous and that the hosts are just like clowns, turn on the TV set to watch this program. Hence the so-called high ratings.

Two weeks ago, as soon as the "Talk of the Town" program started, Wong Yuk-man complained over the screen that the members of the Democratic Alliance for the Betterment of Hong Kong and Lau Siu-kai, member of the Preliminary Working Committee, who were invited to join the discussion on the issue of the temporary legislative council, had refused to be present. With ironical remarks, he said it was because they dared not face the audience. However, just when the program was halfway through, a viewer called from home to directly point out its mistakes. The viewer asked: How could a man of insight be a participant in such a nonsensical program? This shrewd thrust made Wong Yuk-man fly into a rage from shame. Immediately he made the following splendid remarks: "How could such a call be received and connected on the spot? The program supervisor should go home to sleep!" His ignorance, arbitrariness, and attempt to monopolize the "Talk of the Town" forum thus were exposed thoroughly on the screen. In the eyes of the audience, who have the ability to judge, the "Talk of the Town" is obviously a mischievous and inferior program.

Both Wong Yuk-man and Cheng King-hon often call themselves democracy fighters, but judging from what is seen on the TV screen, although they deserve the name of fighter, it is under the pretext of democracy. Leaving aside how they have resorted to sophistry and have confounded right and wrong, let us just look at the fact that they have regarded killing the opinions of others as their main task when hosting the program, and have not allowed "different views" to be aired. Does all this mean "democracy" in their mouths?

I believe that "Talk of the Town" soon will be changed into the "Talk of Wong" or the "Talk of Cheng."

#### **Cable TV Official Suggests Removal of BBC**

*HK1711111694 Hong Kong EASTERN EXPRESS  
in English 17 Nov 94 p 27*

[By Frederik Balfour and Tad Stoner]

[FBIS Transcribed Text] If push came to shove, Wharf would probably jettison the British Broadcasting Corporation (BBC) if China pressured it to do so. Although Wharf Cable deputy chairman, Stephen Ng stressed the scenario was highly hypothetical, he said yesterday that the shareholders' long-term interests would prevail—adding apologies to the general manager of BBC World-wide Asia, John Neill.

When asked, Ng said he saw no reason why the Chinese would threaten to pull the plug on Wharf for carrying the BBC. "We don't see the broadcasting [of the BBC] as creating a problem. If we thought it would hurt business, we wouldn't have done it," he said. Ng refused to admit to parallels between Wharf's position and the experience of StarTV, which dropped the BBC from its five channel satellite service in May, after giving in to pressure from Beijing. "Our decision to carry BBC was a commercial one. My shareholders are listening, and my number one responsibility is to my shareholders," Ng said. He said that the BBC, which features regular news bulletins and documentary features, was not a political channel. More than half the households in Hong Kong are wired to the Wharf microwave distribution system, although the actual number of subscribers is just 100,000.

By the end of the first quarter of 1995 about 10 per cent of those households will be linked to Wharf's underground fibre optic network. Currently, Wharf's signal is distributed by microwave transmitters similar to radio beacons.

Wharf plans to spend \$6bn in the next ten years to construct the fibre optic network financed by internally generated funds. The new network will more than double its current 2 channel capacity to 45 when it is completed by 1996. Wharf has spent about \$5bn on its cable investments, and plans to break even by the middle of 1996, despite the fact that it currently has far fewer subscribers than the 200,000 figure the company had forecast for the end of the year.

The new network, which will have voice, data and image capabilities, will also double as Wharf's proposed telecommunications system, under its New T&T subsidiary.

#### **Satellite Stations Attempt To Ease PRC Fears**

*HK1711084194 Hong Kong EASTERN EXPRESS  
in English 17 Nov 94 p 4*

[By Tad Stoner]

[FBIS Transcribed Text] Hong Kong's Chinese-language satellite broadcasters yesterday scrambled to mollify Beijing's fears about uncontrolled transmission of news and information into China.

Claiming they intended no disruption to China's tightly monitored media, two of the broadcasters said they offered little that could be construed as offensive. A third said it supported China's efforts to open its doors in careful stages.

The executives were speaking in the wake of reports yesterday quoting a New China News Agency (Xinhua) official who described the move towards Mandarin-language satellite programming as "worrisome."

"The phenomenon is worrisome because many of these networks' ultimate aim is beaming towards the huge audience in the mainland," the official said. "We don't like to see Hong Kong being used as a base for a political or cultural front to topple the Chinese communist regime."

The oldest of the Chinese-language satellite stations, StarTV's Chinese Channel, and the most news oriented, "Ming Pao's" Chinese Television Network (CTN), said yesterday they did not wish to challenge the Chinese regime in any way. The managing director of CTN, Nansun Shi, said: "Our financial projections are not based on reaching the Chinese market in the beginning anyway."

CTN has invested \$312m in reaching Chinese communities throughout the Pacific Rim.

"China is a huge market going through big changes, but it should be progressive, step-by-step," Shi said. "It will take time, it will be a process and I believe that's the way it should be."

He said it was an over-reaction for Beijing to reject all satellite broadcasting as pernicious. "Because China has not had a lot of information available for a long time, there is a concern that now there will be a rush for it, but who has the understanding to say what the effect will be?" he said.

A spokesman for StarTV, Doug Gautier, said the station had "worked hard" and taken "great care" to provide material that was "not offensive or politically worrisome to governments."

His remarks come against a backdrop of criticism that was levelled at StarTV in May when it removed the BBC's World Service Television.

**Beijing Begins Overseas-Funded Housing Project**

*OW1611121394 Beijing XINHUA in English 1126  
GMT 16 Nov 94*

[FBIS Transcribed Text] Beijing, November 16 (XINHUA)—The construction of the first overseas-funded housing project in Beijing started yesterday.

The project, called the Changyin Living Complex and located in the Chaoyang District, covers an area of 52 ha [hectares].

The construction will cost a total of 1.2 billion yuan.

Jointly financed by the Beijing "Sunlight" Real Estate Development Company and a Hong Kong Housing Firm, the project will be a "better-off" living complex with a construction floor space of 650,000 sq m [square meters].

A total of 60 high-rise buildings will be constructed to house 8,285 families. The first phase of the project, with a floor space of 20,000 sq m, will be put into use next year and the whole project is expected to be completed by the year 2000.

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